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# **Near East & South Asia**

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**INDIA**

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# Near East & South Asia

## INDIA

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13 October 1992

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**International Affairs**

**Pawar Discusses Russian Supplies, Exercise Plans**

92AS1517A Bombay *THE TIMES OF INDIA* in English  
22 Aug 92 p 3

[Text] Daman, Aug. 21 (PTI). The defence minister, Mr. Sharad Pawar, has said the country's defence preparedness would be maintained by expediting supply of critical defence spare parts and technological support from Russia under a U.S.\$400-million credit facility extended by the Russian Federation President, Mr. Boris Yeltsin.

Talking to reporters from Bombay at the Coast Guard air station here last evening, Mr. Pawar said the credit extended last month would iron out any problem over hard currency payments sought by Russia. Improved versions of the MiG-29 aircraft were also likely to be acquired, he said.

The defence minister, who was here to present the President's Tatrakshak and medals at the Coast Guard's first investiture ceremony in the western region, said the agenda for his forthcoming four-day visit to Russia included discussions with his Russian counterpart on expediting spares to overcome shortages, the lack of technological support, supply of spares and other defence items to India's neighbours and an overall assessment of the situation.

The defence minister said he had asked the three service chiefs to spell out their top priorities for the next two to three years as the country's defence capabilities and preparedness could not be compromised despite a serious financial crunch.

He said financial resources would be "somehow" arranged to strengthen the Coast Guard with sophisticated weapons and other systems for sea operations as it had a vital role to safeguard offshore installations and support the navy in checking the reported drug trade and arms smuggling near coastal Kutch in Gujarat.

Mr. Pawar described the U.S.-Pak naval exercises as an interaction between "old friends" whose impact on Indo-U.S. naval cooperation would have to be assessed. There was no proposal from the United States for using Visakhapatnam as a base, he clarified.

Mr. Pawar said future naval exercises were in the cards with Asian countries, including China. During his China visit, Mr. Pawar said, he had felt convinced that China had changed its entire approach and total strategy through its commitment to domestic strength, peace on all its borders and aggressive economic reforms.

However, a solution of the Sino-Indian border tangle would take a long time. The joint working group meeting in October would draw up details and modalities, he added.

**Gulf Council Recommends Bilateral Kashmir Solution**

92AS1484A Madras *THE HINDU* in English 15 Aug 92 p 1

[Text] New Delhi, Aug. 14—The six-nation Gulf Cooperation Council (GCC) favoured a bilateral resolution (between India and Pakistan) of the Kashmir dispute under the framework of its Simla accord, its Secretary-General, Dr. Abdullah Bishara, said at a press conference here today. The GCC comprises Saudi Arabia, Kuwait, Bahrain, Qatar, the UAE and Oman.

Dr. Abdullah, however, clarified that Kashmir was not the focus of the discussions with Indian leaders here. The issues that were discussed in detail, were UN resolutions on Iraq, regional security relations in the Gulf and India's economic reforms.

Dr. Bishara emphasised that the GCC desired India's assertive role in impressing upon Iraq to accept the UN-sponsored report demarcating its borders with Kuwait. In addition, he felt that India should play an active role in sensitising global opinion towards preserving Kuwait's sovereignty and integrity.

But, Dr. Bishara said he did not favourably view UN mediation in resolving all outstanding international border disputes. He argued that the UN mediation on settling Kuwait's border dispute with Iraq became imperative because of two reasons. One, the bilateral resolution of the dispute which Iraq proposed was a disguise to bully Kuwait and, therefore, was unacceptable to the latter. Second, since Iraq refused Arab mediation to demarcate the border there was no option but to seek international mediation under the UN auspices.

Asked whether he was satisfied with the Indian response, Dr. Bishara replied in the affirmative. He added that the phase during the Gulf War when the GCC was unhappy with India's stand was now decisively over.

Dr. Bishara said India and the GCC had not entered into any bilateral defence arrangement. However, he said the regional security environment and the GCC's desire to build a strong security arm were discussed in detail. He said during discussions on this issue, he emphasised that the GCC was oriented towards depending on its own strength to combat any threat to the security of its members.

Dr. Abdullah denied that the GCC perceived any threat from Iraq during the recent phase of escalating tensions in the Gulf.

**Rajya Sabha Queries on Foreign Affairs Answered**

92AS1491A Bombay *THE TIMES OF INDIA* in English

21 Aug 92 p 3

[Excerpt] New Delhi, Aug. 20 (PTI)—The government today admitted in the Rajya Sabha that Pakistan had illegally ceded 5,180 sq km of Indian territory in Pakistan-occupied Kashmir to China.

In a written reply to Mr. V.J. Shah and two others, the minister of state for external affairs, Mr. R.L. Bhatia, said an area of 78,114 sq km of Indian territory in Jammu and Kashmir was under the illegal occupation of Pakistan.

He said the government had, on numerous occasions through the years, tried to have this matter resolved, including through discussion with Pakistan.

Efforts for a settlement were also made at Tashkent in 1966 and at Shimla in 1972, Mr. Bhatia said.

India had rejected Pakistani allegation that the Indian forces were escalating the situation along the line of control, he said.

#### STATUS OF TIBET:

India recognised Tibet to be an autonomous region of China, Mr. Bhatia said. He said India respected the Dalai Lama as a religious and spiritual leader.

The government had consistently held the view that issues concerning Tibet should be settled through peaceful dialogue between the Chinese government and the Tibetan people, Mr. Bhatia said.

#### NAVAL EXERCISE:

India had no proposal as yet for conducting a joint naval exercise with Pakistan on the lines of the one it had with the United States, Mr. Bhatia told the house.

Mr. Bhatia said as and when such proposals come, "we shall consider it."

When members asked about Pakistan training terrorists, Mr. Bhatia said there was sufficient proof that Pakistan was training terrorists in camps. The location of such camps had also been brought to light, he said.

#### SOLANKI AFFAIR:

The minister of state for external affairs, Mr. Eduardo Faleiro, said that the CBI [Central Bureau of Investigation] had not been able to identify the lawyer who handed over the controversial go-slow note on Bofors to the former foreign minister, Mr. Madhavish Solanki.

He said that even Mr. Solanki could not reveal any relevant information. [Passage omitted]

#### Paper Considers Chinese Ties, Border Questions

BK0209095392 Delhi *INDIAN EXPRESS* in English  
24 Aug 92 p 8

[Editorial: "Likely Chinese Worry"]

[Text] It will clearly be unrealistic to expect an early agreement between India and China on a reduction of their troops along the Himalayan border. This follows from the Defence Minister, Mr. Sharad Pawar's categorical statement in an interview to the Express News Service that during his recent visit to China "this subject was not on our agenda" and none had discussed it with him. The possibility of a mutual reduction of troops to strengthen peace on the border was widely discussed in this country following the late Rajiv Gandhi's visit to Beijing in 1988. After his talks with Mr. Deng Xiaoping, it was decided that

whole question of keeping the border free from tension should be gone into detail by a Joint Working Group. That the progress made by this group was all too slow became clear four years later when the Chinese Prime Minister, Mr. Li Peng, visited New Delhi. At that time both sides believed that the talks held by the group on the boundary question had "enhanced mutual understanding and agreed that it should step up its work in search of an earliest possible solution to the boundary question." These agreements were thus couched in general terms.

The first clear-cut and public mention of the subject of troop reduction having figured in high-level discussions came after the former President, Mr. R. Venkataraman's visit to Beijing last May. He told newsmen that he had suggested to his Chinese hosts that "confidence-building measures" should be strengthened and issues like reduction of troops should be addressed. Soon thereafter, Mr. Li Peng said that "some of these issues" had already been taken up by the JWG [Joint Working Group]. Mr. Pawar has now made it clear that there has not been the slightest sense of urgency on China's part to make headway on this particular issue. It is possible that even after Mr. Venkataraman's suggestion, Beijing thinks that a specific agreement on troop reduction is not called for. Mr. Li Peng had, for instance, explained his, broad approach to the question of maintaining peace on the border in an interview to an Indian newspaper, a few days prior to his arrival in New Delhi. As the Chinese Premier put it "we have drastically reduced our armed forces by one million officers and soldiers. And as such we have reduced the military forces along the border with India."

On the whole, therefore, New Delhi need not take a dim view of China's apparent unwillingness to reach a specific agreement with India on troop reduction. China's broad policy of maintaining cordial relations with India remains as it has been for the past few years. Mr. Pawar, for instance, has revealed that China is interested in a joint naval exercise with this country. Possibly, Beijing's coolness towards the proposal for a formal accord on troop reductions is influenced by its unwillingness to annoy Islamabad (which clearly would like as many Indian troops to remain tied up along the Sino-Indian border as possible). If so, we have a new version of China's even-handedness towards India and Pakistan.

#### Analyst Questions Results of Rao Visit to Japan

92AS1458A Madras *THE HINDU* in English  
13 Aug 92 p 24

[Article by N. Krishnaswamy; quotation marks as published]

[Text] The Prime Minister, Mr. P.V. Narasimha Rao went to Japan, saw the Japanese people and leaders, but did he conquer the hearts of the Japanese—and their purse strings?

The visit of Mr. Rao was not a political but an economic one. A Tokyo newspaper reported his visit in a column entitled 'Business: Industrial and Domestic.' Mr. Rao's sojourn was a continuation of and culmination to the

year-long economic dialogue that was going on between Japan and India in the light of the liberalisation measures introduced by his government since July 1992.

In a sense Mr. Rao's visit was a success. In the words of a high ranking Japanese spokesman, it was a well planned and meticulously executed trip. Mr. Rao had a ceremonial lunch with the Emperor, dinner meeting with the Prime Minister, official talks with the Finance and International Trade ministers, business luncheon meetings and discussions with captains of industry, top scientists, intellectuals, parliamentaries and others. But, then, beyond the courtesies, conferences and *tete-a-tete*, did the visit achieve anything substantial? For that matter, there was not even a joint communique at the end of the official visit setting out the points of agreement and disagreement—the gaps in perceptions, economic and political—between the two countries.

#### **Ill-timed Visit?**

But, before proceeding further, a basic question has to be asked: who decided upon the dates—June 22-26—for the Prime Minister's visit? Of course, the visit was arranged by mutual discussion and consent. Obviously, the dates were finalised at India's initiative and desire—ostensibly to coincide with the commemoration of the fortieth anniversary of Indo-Japan relations, but apparently to synchronise with the completion of one year in office of the Congress government under Mr. Rao—by itself a no mean achievement considering the innumerable hurdles the government had to cross over the period.

It is true, Mr. Rao carried with him no specific requests, but the visit was meant to convince the Japanese hosts that the bag of reforms introduced by his trusted Finance Minister, Dr. Manmohan Singh, over the year, will be continued and carried forward.

By all accounts, it was an inauspicious time for the visit. Mr. Rao was also carrying with him the cross of the pressures of the consensus politics over the Presidential and Vice-Presidential elections, pressures over Ayodhya, and, above all, that of the multi-million rupees stock scam. The scam may be ignored by Indians as just a 'common cold' in the financial system of the country, and the Ayodhya issue as no more than the gimmicks of the BJP (Bharatiya Janata Party) to score electoral points.

#### **Doubts Over Government's Stability**

But it would be wrong to presume that the people of Japan are not aware of the currents and cross-currents running through the veins of the Indian body politic, and the implications of each one of the political winds that blow across the country. The Japanese—government and business—are very much worried; they are sceptical about the stability of the government that had been doing well over the year.

Even ignoring the backdrop of the pricks and back stabs received by the Indian government, was Mr. Rao's visit well-timed from the Japanese point of view? Japan was the host for the international conference on Cambodia right at the time Mr. Rao was landing in Japan. The role of Japan

in setting the peace process in motion in Cambodia must have been known to the officials of the South Block as the dates for the Tokyo meet had been decided at the Paris Peace Conference over a year ago. Besides, the political fallout of Japan's willingness to send a peace-keeping force to Cambodia was testing the nerves of the government machinery—from the Prime Minister, Mr. Miyazawa, downwards. And the media in Japan almost ignored Mr. Rao—not out of any disrespect for him, but because of the total preoccupation with the Cambodian imbroglio.

The Japanese are the most avid newspaper readers—Japanese language papers have the highest circulation in the world, and the people spend on an average three and a half hours a day watching TV and usually about 40 minutes reading newspapers. Mr. Rao's visit got 0.8 percent to 1.2 percent of the total news space in Japan's language media. If it is claimed that the Japanese hosts did not raise any objection to the dates suggested by India, they cannot be blamed for it. For, that is Japan. The Japanese never say 'no' to a request. That does not mean they say 'yes,' either, easily.

Viewed in terms of tangible results, the Prime Minister's visit to Japan cannot be termed a great success. At the same time, it would be wrong to call it a failure either. The visit has not fulfilled great expectations, but it was wrong in the first place to have had any expectations. The visit must be judged on the basis of long-term and stable relations between the two nations. The Prime Minister, it is reported, argued India's case effectively with precision and cogency, and often giving an intellectual twist to his presentation. But, given the self-proclaimed 'language barrier' of the Japanese, and the complexes they suffer from on this score, the Japanese could not have been swept away by any display of intellectual brilliance, much less would they have felt pleased with the apparent display of superiority exhibited by Indians.

Yet, taking a critical look at the economic aspect of the visit, the Prime Minister's trip took place at a time when Japanese interest in India, as is claimed, has reached its peak. Yes, the last one year had packed the equivalent of say ten years' policy work of the past. And, the spate of policy pronouncements affecting foreign investments, to demonstrate the Prime Minister's resolve to keep the economic reforms moving, in the last ten days before he left for Japan, was breathtaking. Anything that is too fast and too quick could be short-lived, and the Japanese, given their pathological distrust of the New Delhi bureaucrats, must be wondering whether the Indian government was really moving ahead and fast, if the policy pronouncements would be effectively implemented, and if the reform movement would last.

#### **Reforms Appreciated**

All these do not mean that the Japanese have not evaluated the changes coming over the Indian economy. They regard the economic package introduced by the Rao government a step in the right direction, and Japanese trade and industry have expressed appreciation for the reforms. If proof were required for this, it might be noted here that

Japan has emerged as the biggest contributor in terms of investment, accounting for over \$40 million in the first three months of this year—against \$3 million in 1990 and \$30 million in the whole of 1991. Nonetheless, they want the reforms to be completed. They also feel that the 'spirit' of reforms should seep in. The Japanese capitalists make their investment decisions on the basis of cold calculations. Any amount of political pleadings is unlikely to make the dribble—Japan's investment in India, as of now, is 0.03 percent of its total investment abroad—into a flood.

### Change in Perspective

That takes India on the political aspect of the Prime Minister's visit. Japan has made foreign affairs the web of its economic policy. Until the Eighties, with its cozy relationship with the United States, the Japanese considered it a waste of time to turn to Asia. But, since then, Japan has been vigorously wooing the East as it visualises Asia as its long-term strategic outpost—that is where growth is perceived to be.

Because Japan was not a priority in India's foreign affairs, the country, for all purposes, did not have a Japan policy for at least two decades. Today, in the emerging new world order, the two countries look at the challenges in different perspectives. In spite of an apparent coming together of Japan and China in recent years on the economic front, the history of Japan's relations with China is based on mistrust and that of China towards Japan on distrust. Japan would like to contain China over the years, and in this it would like to work with India in tandem. On the other hand, Indian policy makers continue to count upon China as a friend and 'brother'—the China phobia is still too strong with the government, and India would like to team up with China to contain the U.S.-Japan hegemonism.

There is another angle to the economic diplomacy of Japan. Though there are no evidences of any major shifts in Japan's foreign policy, there are growing indications of Japan trying to use its new economic might to wrest a new political role globally. In the coming years it will try to use economic assistance as a major instrument of its foreign policy. They are openly linking their aid to low military expenditures, acceptance of nonproliferation of nuclear arms, maintenance of democracy, observance of human rights and pursuit of market-oriented economics as major conditionalities. Given the known stand of India on NPT [Nonproliferation Treaty], and the country's none-too-cordial relations with Pakistan, Mr. Rao and Mr. Miyazawa could not have had much headway on these and similar issues except in generalities—agreeing to disagree. [as published]

The crux of Indo-Japan bilateral relations hinges on differences in perceptions on different matters—be it political, economic, or even social. To touch on the last point, Japan is a homogeneous society with a unique culture of its own. The Japanese would like to have a few townships all for themselves, complete with Japanese outfits, when they come to India. Talks have been going on, for too long, to set up initially a model Japanese township somewhere in

India. Meanwhile, doubts have been raised in the Indian Parliament whether this would not be sowing the seeds of a new kind of colonialism. Not a very encouraging way to invite a foreign investor to this country. The gaps in conception and information that exist between the two people must first be narrowed down.

### Need for Sustained Contacts

Doing business with Japan would help India get a better insight into the world market. In Japan, unlike India, there is a clear delineation of the respective roles of the government and business. Yet it is the MITI (Ministry of International Trade and Industry) that helps business make up its mind, through suggestions, in subtle and not so subtle ways. If the Government of India places Japan at the top of potential investors, the mighty MITI has to be effectively cultivated. India as a nation is poor in lobbying, while the level of contacts in Japan should be quite high, effective and sustained. The Japanese are sticklers for form and protocol. If the visit of Mr. Narasimha Rao to Japan, to quote Mr. Miyazawa, has helped to deepen political and economic dialogue and enhance mutual understanding, the momentum generated at the highest level has to be sustained by taking up the challenge which Japan offers to Indian diplomacy today.

The land of the rising yen is at the crossroads. The current recession notwithstanding, Japan is running ahead of the rest of the world in economic terms. But, politically, it is just a pygmy. It is a suspect in the greater part of Asia—including China. India is the only Asian country which shares Japan's polity, values and institutions, besides having no sharp and bitter memories of the past. The economic relationship between the two countries could, over time, lead to strategic cooperation, which may augur well for the prosperity and security of Asia.

At this point of time, it is worth considering if the level of diplomatic relations between the two countries could not be raised to the stature and status of Indian missions in the U.K., the United States and the erstwhile USSR. In view of the preeminent position enjoyed by the economic superstar in the comity of nations, such a move will bolster Japan's self-image. The elevation will also give India a privileged position in the corridors of GAIMUSHO (Ministry of Foreign Affairs) and TSUSANSHO (Ministry of International Trade and Industry)—a unique leverage in dealing with Japan.

**Analyst Discusses Relations With Uzbekistan**  
92AS1511A Madras *THE HINDU* in English 24 Aug 92  
p 8

[Article by K.K. Katyal: "Chance for India in Central Asia"]

[Text] The recent visit to India by the Speaker of Uzbekistan's Parliament, Mr. S.M. Yuldashev, served to give exposure to a country which, like others in Central Asia, acquired a new personality after the demise of the Soviet Union. It brought to light the issues, thrown up by the

transition, the problems of re-adjustment as well as opportunities for interaction with others in the neighbourhood, especially India, in the political and economic spheres.

Mr. Yuldashev, number two in the ruling hierarchy, was the second visitor from Uzbekistan, after their country became independent. Its President, Mr. Islam Karimov, came here exactly a year ago—the visit had coincided with the coup in Moscow and its collapse.

Central Asia is a queer mosaic. The problems and perceptions of the individual countries vary: so do the responses to the challenges facing them, now that they have acquired independent status. But there are a few common factors. They have been subjected to identical pulls—to start with, of separation from what once was the Soviet Union, and later of forging security and economic ties among themselves, while zealously guarding their freedom. They could not but have felt the influences from the nearby countries, from China, on the one side, and Iran, Turkey and last but not the least Russia on the other. They had to reckon with a host of other suitors. Uzbekistan's stand and responses may not be the same as the others in all respects but to the extent common factors are at work, its attitude and thinking could be taken as representing the entire Central Asia.

#### Trade Accord

Mr. Karimov's trip established the first cooperative links between the new Uzbekistan and India, with the signing of the agreements covering trade and other areas of economy, science and technology and culture. The traditional, centuries-old ties, that had left a marked imprint on the customs and culture of the subcontinent, were to be reinforced with cooperation in new areas, opened up by modern-age requirements and advance in technology. In an informal talk during his visit, Mr. Yuldashev, Chairman of the Uzbek Supreme Soviet—the correct title—spoke of his country's role and prospects of strengthening ties with India. "We are not happy with the tempo of implementation of the agreements," he said candidly, "even though a lot has been done. We needed time to settle our organisational matters and undertake necessary legislation. Now we have reached a stage where implementation is possible." Despite these delays, dozens of joint ventures had taken shape. Mr. Yuldashev cited the case of Unitech International which manufactures computers, supplies software, undertakes the designing of projects, manufactures medical equipment and has already organised trial of laser equipment for T.B. treatment. Joint ventures could cover vast areas, covering mini cement plants and the like on the one hand, and soft drinks on the other.

#### Cultural Affinity

As he saw it, the potential for cooperation was unlimited. Uzbekistan imported 60 percent of consumer goods from other republics—formerly part of the Soviet Union—which were not up to world standards, and produced just 10 percent of its medical requirements. There was the considerable scope for joint ventures for consumer goods, and pharmaceuticals. Nearly 60 percent of Uzbekistan's

population lives in the rural areas and the government is keen to set up mini production units there as part of the effort to check their influx into the cities. He considered this another area of cooperation with India.

The cultural affinity was seen both as an apt backdrop and a strong support to economic and political ties. Indian melodies, music and films reign supreme in the Uzbek cities and no wedding is considered complete without Indian songs—an evidence of common past roots flowering into the present. It had been a two-way affair. If Uzbekistan contributed to the art and culture of India in the past, it is being enriched by Indian influences now.

Without touching upon individual issues and problems, Mr. Yuldashev was categorical, when asked about the degree of political like-mindedness between India and his country—"on all fundamental issues, our viewpoints turned out to be identical. That is the case not only with bilateral matters but also our world view. Our international policies are close." He referred to the recent resolution of the Uzbek Supreme Soviet, favouring the country's entry into the nonaligned movement. Now it was for the NAM [Nonaligned Movement] to decide, he said, emphasising the identity of foreign policy perceptions with India.

#### Situation Stable

How about the internal situation in the country? How strong is religious fundamentalism? Mr. Yuldashev was again categorical—the internal situation, both political and economic is stable; more than 100 nationalities live peacefully; the Parliament's decisions are discussed and scrutinised in the far-flung areas. The population supports the government's domestic and external policies. Their's was a secular, democratic state and fundamentalism, as such, could not acquire. When he made this point, his face portrayed the emphasis he was keen to convey. "Some elements did want (to propagate fundamentalism) to achieve their selfish ends but the people understood their motive and extended full support to the government in its efforts to keep religion separate from the state. We have adopted specific laws for the purpose."

His attention was drawn to the attempts to give a political complexion to the Economic Cooperation Organisation (ECO), originally comprising Pakistan, Iran and Turkey, and to use it for purposes other than economic. Uzbekistan, it was clear from his comments, would like the grouping—to which the Central Asian Republics of the former Soviet Union had acceded—to confine itself to the original goal, economic cooperation. He was aware of the moves, beginning with the meeting in Iran, to take it away from the chosen path. The attempts to give it a political colour were considered "incorrect" in Uzbekistan. "No ideology is intended to be promoted through this organisation. It is economic, first and foremost." As a matter of fact, Uzbekistan, according to him, stood for broader economic cooperation, on an equal and beneficial basis. He had in mind other countries—of South Asia—when he talked of the "broad base." Certain countries sought to tie

economic help with political conditions but Uzbekistan, according to the Speaker, categorically rejected that approach.

#### J&K [Jammu and Kashmir] Resolution

What about the resolution on Jammu and Kashmir, adopted by the ECO (obviously at the instance of Pakistan)? Uzbekistan, he said, did not participate in the drafting of the resolution nor did it sign the document. "We consider Kashmir an internal matter of India. We do not have a right to interfere in the internal affairs of others."

Uzbekistan's relations with others in Central Asia—as, indeed, the ties of each one of them with others—had been evolving in the last one year—following the collapse of the Soviet Union and their emergence as independent entities. The phase of separation was over and each one of them now devoted attention to new forms of cooperation. The very convening in May of the Tashkent summit, attended by the Central Asian and other Republics of the former Soviet Union, was considered by him as a testimony of the process. "To us, immediate neighbours are important. We hope that the entire region including South Asia will become a single economic zone and the silk route that once unified the countries in the area will be restored in a new capacity. We are convinced that the people of the region, accounting for one-third of the world's population, will achieve a high degree of economic and cultural development." He was not oblivious of the "elements of discord" which might seek to destabilise the area but the process of unification was bound to be irreversible, in his opinion. Those working against it might succeed in temporarily slowing it down, Mr. Yuldashev felt, but it could not be stopped. His vision was clear—Uzbekistan's ties with its neighbours in Central Asia are certain to develop in a positive manner. As for India, he found after his visits to various parts of the country, "deep-seated roots which will nurture new plants of cooperation."

#### Collective Pact

In the matter of security, the most important development after the disintegration of the Soviet Union was the signing of a collective pact by six of the 11 members of Commonwealth of Independent States (CIS) at the May summit in Tashkent. The participants included Russia and four Central Asian Republics. The Russian President, Mr. Boris Yeltsin, hailed the summit as "the most efficient and productive," even though five others, including Ukraine, chose to keep away. Drawn up by their Defence Ministers, the collective security agreement aimed at setting up a NATO-type alliance with as many members as possible. Under the agreement, aggression, or the threat of it, against any one member is to be regarded as aggression against all the signatories.

Mr. Yuldashev attached great importance to the agreement, intended as it was to ensure the territorial integrity of the member countries. The collective security did not impinge on the right of the individual republics. Do ethnic conflicts pose a danger to Central Asia? His answer was an

emphatic "no." He based himself on the view shared by all the five that discord was not in the interest of their people.

#### Burmese Rebels Set Up Office in Delhi

92AS1501A Bombay *THE TIMES OF INDIA* in English  
31 Aug 92 p 11

[Article by Prasun Sonwalkar]

[Text] New Delhi, 30 August: After initial hesitation, India has allowed the government-in-exile formed by the pro-democracy groups of Burma to open its office in New Delhi.

The office was started on 7 July and is headed by Dr. Tint Swe, a member of the Burmese parliament from the Pale-II constituency.

The government-in-exile, formed at Manerplaw in December 1990 with Dr. Sein Win as the Prime Minister, now has offices in 11 countries and efforts are on to open more in South Asian countries.

The government-in-exile is named the National Coalition Government of the Union of Burma (NCGUB).

Its labour minister, Mr. Hla Oo, was here for a week and left for Kathmandu today at the invitation of the Nepali Congress leader, Mr. K.P. Bhattarai.

A 16-member NCGUB delegation headed by the foreign minister, Mr. Peter Limbin, will be present during the U.N. session to lobby with various countries for two objectives: to get the Burma seat in the general assembly vacated, and, to have an arms embargo imposed on the military junta in Rangoon.

"We expect India's support in this task, specially since it has been positive in its responses to our movement since 1988. We are happy that India has not objected to the NCGUB opening its office in New Delhi," Dr. Tint Swe told this correspondent here today.

At the international level, Norway and Canada had been officially extending financial support to the pro-democracy movement while Sweden, Japan and some European countries were helping with education and health assistance, he said and added that a radio station, called democratic Burma Voice had started broadcasting from Norway from 19 July.

With the movement receiving little support so far, Dr. Swe said the NCGUB's stress now was on South Asian countries, particularly India, since it had entered a politically stable phase with the P.V. Narasimha Rao government in office. According to him, the NCGUB would have nothing to do with Pakistan since it was reportedly supplying arms to the ruling state law and order restoration council (SLORC) in Burma.

The NCGUB representative termed the contention of SLORC that it faced a military threat from India as totally wrong. Instead, he said it was the other way round since there had actually been periodic intrusions by the Burmese army into Mizoram and Manipur.

The NCGUB's New Delhi office would carry out its liaison and information duties throughout South Asia. Dr. Swe said the office here had kept a low profile since 7 July, when it was formed, but would soon be activated following the visit of the NCGUB's labour minister.

However, even as pro-democracy activists in India are elated over the setting up the radio station at Norway, there is a tinge of unhappiness over the fact that the highly popular broadcasts in Burmese over All-India radio continued to be hampered by restrictions.

### Regional Affairs

#### Paper Condemns Pakistan for Kashmir Stance at NAM

*BK1009043992 Delhi INDIAN EXPRESS in English  
3 Sep 92 p 8*

[Editorial: "Pakistani Duplicity"]

[Text] The Kashmir fixation turned Pakistan into a steadfast member of the US-led military alliances, SEATO [South East Asian Treaty Organization] and CENTO [Central Treaty Organization] for over two decades. Pakistan thereby gained easy access to vast quantities of Western arms to sustain its policy of confrontation against India over Kashmir. Without, the slightest compunction the same Pakistan later sneaked into the Non-Aligned Movement [NAM], the very antithesis of the American design of military alliances, in pursuit of the same aim. The quest this time was not, of course, for arms but for a convenient platform to continue its stance of undiminished belligerence over Kashmir. It has sedulously used many other international fora, too, for this purpose. Pakistan's consistency in this regard has again been demonstrated now at the NAM summit in Jakarta. It has yet again shown its contempt for the established norm of keeping bilateral issues among NAM members outside its purview. The Pakistani Prime Minister, Mr. Nawaz Sharif, did not have the decency even to heed the specific plea made by Indonesia, the host, to avoid raising the Kashmir issue.

Normally, New Delhi would not have been surprised by Mr. Sharif's true-to-pattern performance. But he has given food for thought on this occasion. Recently, Islamabad started swearing by the Simla Accord for a peaceful settlement of the Kashmir issue a little less unambivalently than in the past. This created the impression that although it had not given up the old habit of invoking archaic UN resolutions even while reiterating its commitment to the Simla Accord framework, Pakistan might at least abstain from raising Kashmir at international meetings in order to create a better atmosphere for a genuine bilateral effort to come to grips with the question. Mr. Sharif has now shown that this is far from being the case.

There is an additional reason why the latest Pakistani charade over Kashmir should be viewed with grave misgivings. Mr. Sharif's grip on power seems to be slackening. The ruling troika—the President, the Prime Minister and the Army Chief—is no longer a picture of solid unity. Both President Ghulam Ishaq Khan and Mr. Sharif are trying

hard to adjust themselves as best they could do to Gen. Asif Nawaz Janjua's controversial crackdown, ostensibly, on bandits in Sindh. In doing so, Mr. Sharif seems to be at a distinct disadvantage. Mr. Mohammad Khan Junejo, the former Prime Minister, who has entrenched himself in the Muslim League, the major partner in the ruling coalition, has suddenly started making noises much to Mr. Sharif's discomfiture. Ms Benazir Bhutto has become more strident than ever before in her denunciation of Mr. Sharif. In an aggressive speech last week focussing on Kashmir she declaimed: "Nawaz Sharif is a tragedy not just for Pakistan but also for the people of Kashmir." Going by Pakistan's history, all these are bad omens. A serious dialogue on Kashmir is just not on the Pakistani agenda.

#### Pakistan Policy Controlled by Imperatives

*BK1709154992 Delhi THE HINDUSTAN TIMES  
in English 7 Sep 92 p 13*

[Article by S.K. Singh, former Indian foreign secretary and former ambassador to Pakistan: "India and Pakistan: The Unchanging Reality"]

[Text] Are India and Pakistan finally moving towards a good, healthy, neighbourly, peaceful, civilised relationship? Or will it be more of the same uneasy, schizophrenic co-existence? Just after the meeting of the two foreign secretaries came the meeting of the two PMs [prime ministers] in Jakarta and by now one can see clearly what Pakistan's motivations, compulsions, and objectives are.

The mutual chemistry between Shaharyar Khan and Mani Dixit, as also the two PMs, has been good on the whole. They are sensitive individuals, and subtle negotiators. They wanted, as a first step, to improve the bilateral atmospherics. This they have done, but only to an extent that was limited by circumstances. The more-than-superficial wounds caused by the ISI's [Inter-Services Intelligence] endeavours in the Punjab and in J&K [Jammu and Kashmir] are not easy to bind. Pakistan is merely trying to contain it all to the extent that the dialogue may not die. Mercifully, we are being spared the snarl-and-shout variety of diplomacy favoured by the predecessors of the two foreign secretaries.

Messrs. Dixit and Shaharyar Khan discussed the modalities of maintaining a dialogue on Kashmir. The Pakistani foreign secretary, echoing the language of his PM's message to ours, said that such a dialogue should be in accordance with Art VI of the Simla Agreement; and hastened to add that this should also be within the broad framework provided by the earlier (or in India's perception, ancient and obsolete) UN resolutions. India has never been averse to any purely bilateral dialogue. However, India did enter the caveat that all this is not part of the "unfinished business of Pakistan," a favourite phrase much used recently by the president of Pakistan.

#### Home Truths

General Zia and all those who, after his death, have wielded either authority or decisive influence in Pakistan, have consistently conveyed to us certain home truths. One, that they have no option but to offer their

"diplomatic, moral and political" help to the Muslims of Kashmir. Two, that it is not possible for them to desist from mentioning the Kashmir issue in all multilateral and international forums available to them. Three, that while they will do all they can to have amity and cordiality with India, we should not expect them to build normal, friendly, or good neighbourly relations with us until the Kashmir issue is settled (presumably in a manner deemed satisfactory by them). Four, in the nuclear field, they must remain steadfast in their quest for total parity with India. The implication being that since it is their appreciation that India had already, in 1974, imploded a nuclear device, they cannot allow themselves to be left behind. Also that whatever internationally imposed, or suggested, constraints India accepts in this sphere will be acceptable to them too, for their programme. If India does not sign the NPT [Non-Proliferation Treaty], they too shall not do so. Thus Pakistan feels justified in not agreeing to any movement towards a meaningful trade and economic relations; people-to-people contacts; meaningful cultural relations; or even normal cooperation in our regional organisation SAARC [South Asian Association for Regional Cooperation].

#### Not Real Estate

They take their responsibility as members of the global Islamic Ummah so seriously that their Parliament rashly and unwisely passed a resolution on the Ram Janmabhoomi-Babri Masjid question, which is currently subjudice here. The Government of India is not amused.

Pakistan does not accept what we have stated repeatedly and which was said again by Narasimha Rao from the Red Fort on August 15, 1992. It was that while we are prepared for discussion on everything, Kashmir is for us not a piece of real estate, to be gifted or bargained away. Also that the problems of terrorism and militancy within that State, to a significant extent promoted and assisted by Pakistan itself, are for India to sort out, and Inshallah we shall solve them, all in good time. Short of that, as India has always stated, as Swaran Singh had told Bhutto, and Indian leaders told the Pakistani rulers during the Tashkent and Simla meetings, this country believes in continuing our dialogue with them, hoping that this will lead to close and friendly relations.

#### Mischief in Punjab

Pakistani leaders and commentators, in recent years, have persuaded themselves that India is passing through a phase of weightlessness in the international political arena; that the country is angry, confused, bewildered politically, and enfeebled economically. In sum, they believe India's is an unstable polity, likely to collapse under the weight of its own problems. They are pleased with the dividends brought by their investment in mischief in the Punjab and J&K. They hope that all this will soften the Indian leadership enough to make them cut their losses and by yielding ground on Kashmir.

Some of them are convinced that India has had an overdose of democracy, and this has made it unable and unwilling to stick to its point. They feel that sooner or later India must compromise, for it hasn't the stomach to soldier on. And meanwhile India must be made to bleed.

However, India is no longer being accused by the Pakistani media and leadership, of hegemonic designs in the region!

The only Pakistani who has spoken out recently in favour of a radical change of policy is Air Marshal (Retd) Nur Khan. He has asked for deep cuts in the country's military expenditure. He has asserted that there is no danger of an attack by India. That the wars between India and Pakistan were avoidable, and fought almost entirely on Pakistani initiative. He has said all this, he explains, for he feels that unless Pakistan's military budget is reduced to a rational proportion, Pakistan will be "finished as a functioning society."

The way Golbuddin Hekmatyar is shelling and attacking the hapless population of Kabul, the manner in which Pakistanis have brokered a ceasefire in Kabul, the mutually contradictory statements that are being made, certain members of the IJI [Islami Jamhoori Ittehad] government all make certain things clear. [sentence as published] One, Pakistan's ruling establishment is deeply divided on their policy towards Afghanistan. And two, whatever may be the thinking of Mian Nawaz Sharif or the majority of his Cabinet, on the ground level that alone will happen which is favoured by the Jam'iyyat-e Eslami Party, Golbuddin Hekmatyar and their chief backer, the ISI. As their minister of state for foreign affairs had hinted recently in Washington we must understand that the Pakistan's policies on Afghanistan, India, and nuclear matters are dictated by the perceptions of the military and not by the political wing.

The uncomfortable power-sharing amongst their apex Troika, the President, the PM, and the Army Chief requires to be kept under observation and review. It has been changing subtly but constantly. On various issues of national importance, until a few months ago two of them would see eye-to-eye and isolate the third. No longer. Now each one is trying to keep the other two isolated, while hugging his own special vulnerability. There is no way any one of the three in the Troika could persuade the other two, or even one out of the two, to accept the necessity of having a meaningful settlement with India.

#### Viable option

The politicians in Pakistan in the name of Islam and their national Islamic ideology, for years have refused to condition their people to think of friendship with India as a viable policy option. There is no realisation in the country that in this fast changing world there are no low cost options or solutions. Or that the basics of geography, economics and shared languages, culture, ethnicity must in the long run make friendship between these two countries imperative and unavoidable. It is frustrating to watch the same old minuet going on and on, purposelessly, pointlessly.

**Bilateral Talks With Pakistan Reviewed**

92AS1477A Madras *DINAMANI* in Tamil 22 Aug 92 p 6

[Editorial: "India-Pakistan Talks"]

[Text] The sixth round of Indo-Pakistan talks at the foreign secretary level were held in Delhi for three days. As a result of the talks, we may say that there is little improvement in bilateral relations. We have to admit the bitter fact that there has not been any indication of solutions to the problems that have been marring the relations between the two countries for the past 45 years.

India's Foreign Secretary Dixit and Pakistan's Foreign Secretary Shaharyar Khan signed two agreements and this is a favorable development in bilateral relations. One of the agreements is a code of conduct for treatment of diplomats stationed in India and Pakistan. This was necessitated by the cruel treatment recently meted out to a high-placed official of our High Commission in Pakistan, Rajesh Mittal. But any agreement just on paper is useless unless the Pakistani Government implements the pact with sincerity. It is also essential that Pakistan abide by this agreement and by the Geneva International Convention and offer full protection to the High Commissioner, his diplomatic personnel, and their families with all privileges due them.

The second agreement is about banning the production, accumulation, and use of chemical weapons. The production of chemical weapons has not been significant in the area, so it attracted little attention. But it is hoped this agreement would help in paving the way to create an atmosphere of mutual trust among the two nations. This would also serve as a good example for the rest of the world.

After signing the agreements, India presented a formal invitation to Pakistan's Army Chief of Staff to visit India. These steps are described as confidence-building measures. But any action, to be effective, should be taken with sincerity.

But we have been witnessing the dubious nature of Pakistan, which says one thing and does something else. We suspect that Pakistan's talks with India, as well as the signing of the two agreements with India, are just a ploy to impress countries like Britain and America that Pakistan is bent on improving its ties to India. We note that there has been a move in the United States to stop U.S. aid to Pakistan and to declare Pakistan a country that supports terrorism. In this context, it is also noteworthy that the Pakistani foreign secretary described the Delhi talks as very helpful.

India asked Pakistan to immediately desist aiding, encouraging, and training terrorists in Punjab and Kashmir. But Pakistan, without giving a favorable reply, gave the customary reply that Pakistan does not aid terrorists. Pakistan is not believed by either India or the world.

The Pakistani prime minister sent a letter to Prime Minister Narasimha Rao, suggesting that talks be held to solve the Kashmir problem as stipulated in Article 6 of the Simla Agreement. Article 6 says that the heads of government of

the two sides will meet and discuss the final settlement of the Kashmir problem. India feels it is not right to isolate individual articles for implementation and reject others. India also insists that the Simla Agreement should be totally implemented. It is expected that India's views will be conveyed in a letter to the Pakistani prime minister by our prime minister.

Shaharyar Khan's statement that although Pakistan is willing to settle the Kashmir problem according to the terms of the Simla Agreement, Pakistan will not cease to emphasize its stand on adhering to UN resolutions. In other words, Pakistan will not give up its demand that a plebiscite be held in Kashmir to decide the right of self-determination. Pakistan has been occupying one-third of Kashmir. The UN resolution demanded that Pakistan quit the area. Pakistan has doled out the Gilgit area in northern Kashmir to the Chinese. As stipulated by the UN resolution, will the rulers of Pakistan be prepared to hand over those areas to India? Pakistan is saying that the right of self-determination does not mean that the people of Kashmir have the right to demand a separate state.

During the same period that Pakistan's foreign secretary was having talks in Delhi, about 2,000 well-trained terrorists, including five mujaheddins, were sent into Kashmir. Such planned activities are carried out by Pakistan's army intelligence agencies. Indian intelligence sources report that there are about 6,000 well-trained terrorists and 1,000 Afghan mercenaries, waiting to enter Kashmir.

The Pakistani prime minister, on 4 August at Rawalkot in the Pakistan-held territory, addressed a meeting, vowing to liberate Kashmir. How such a person can offer to solve the Kashmir problem according to the Simla Agreement is beyond our comprehension. Only if Pakistan acts sincerely, can a climate be created to solve any serious problem. The actual proof of Pakistan's sincerity will be when Pakistan forthwith stops giving help to the terrorists in Punjab and Kashmir. This alone could pave the way to solve the Kashmir problem. In the meantime, India has to be very cautious in its dealings with the double-faced Pakistan whose words and deeds do not match each other.

**Article Suggests Pakistan Heading Toward Military Rule**

BK2708104292 Delhi *INDIAN EXPRESS* in English  
21 Aug 92 p 8

[Text] Pakistan looks like heading towards army rule. Sindh, for all intents and purposes, is already under military law. An estimated 50,000 troops are deployed in the province to wipe out urban terrorism, blamed largely on Mohajir Quami Movement (MQM), and rural lawlessness. Reports from Pakistan suggest that the estrangement between the army and the other two pillars of Pakistani establishment (President and the Prime Minister) is growing. And might tempt the army to directly take over the country's affairs.

Though Sindh is the most disturbed province of Pakistan, Punjab is also affected with waves of bank robberies and

gruesome murders with the police rendered totally ineffective. The other two provinces of Balochistan and North-West Frontier Province have always been restless. Against this grim background, the army appears to be the only organised institution capable of restoring law and order. Posters bearing General Nawaz's picture with an appeal for him to act, have already surfaced in Islamabad and Rawalpindi.

If the army takes the plunge, it won't be first time in Pakistan's short history. For most part Pakistan has been under military rule, directly or indirectly. The civilian elected government has been an aberration rather than the rule. The question is: what makes Pakistan prone to army take-overs? Or to put it differently: why has democracy not taken roots in Pakistan?

A visiting Pakistani professor gave an explanation for this at an academic forum in New Delhi. According to him, since most of Pakistan's top political leadership hailed from areas which remained with India, they lacked a political base in their new homeland. Because of this, they were not terribly keen on people's rule and came to depend on bureaucracy and army for political survival. The political system was discredited. And when the army took over under General Ayub Khan in 1958, the change was popularly welcomed.

Even after the army was discredited following the loss of East Pakistan, and Zulfikar Ali Bhutto emerged as the popular political leader of Pakistan, the political leadership was not able to rise to the occasion. Bhutto sought to manipulate the political system, combining graft with guile. Bhutto's brand of politics is best summed up in his interview with Oriana Fallaci: "Well, in politics you sometimes have to pretend to be stupid and make others believe they are the only intelligent ones. But to do this you have to have light and flexible fingers..."

Elaborating, he said, "Have you ever seen a bird sitting on its eggs in the nest? Well, a politician must have fairly light, fairly flexible fingers, to insinuate them under the bird and take away the eggs one by one. Without the bird realising it."

Pakistani politics haven't changed since then. According to Professor K. B. Sayeed, who teaches at a Canadian university, "Pakistan's political parties, whether it is Prime Minister Nawaz Sharif's Islamic Democratic Alliance (IDA) or the PPP [Pakistan People's Party] led by Benazir Bhutto, have tried to combine appropriate elements of graft, greed the guile..."

Another bane of Pakistani politics has been the use of Islam as its guiding ideology. Unlike the Islam of Muhammad Iqbal which could be creatively interpreted for new times, Pakistan's political leadership sought to exploit Islam for its narrow political ends. Reinterpreting it would have meant sharing power with the people, including women.

Both in political and ideological terms, Pakistani politicians have failed miserably. Not that the military has done any better. But it is the only alternative when politics have reached a dead end as seems the case now.

### Article Considers Indo-Pakistan Line of Control Issues

*BK2608111592 Delhi INDIAN EXPRESS in English  
19 Aug 92 p 11*

[By Pravin Sawhney: "Prospects of Changes in Military Realities Bleak"]

[Text] New Delhi—The Indo-Pak foreign secretaries' meeting is unlikely to translate into improvement at the military levels between the two countries, which implies reduction of troops along the Line of Control (LC).

On the contrary, both sides have already heavily reinforced along the LC. Moreover, the proposed agreement banning use of chemical weapons has little significance in itself, given the fact that Pakistan has on an earlier occasion violated such confidence-building measures, according to defence sources.

If at the political level India and Pakistan have divergent views—for Pakistan, Kashmir is the core issue and needs to be discussed bilaterally under the Simla agreement to an eventual solution under the UN resolution; for India, Kashmir is an integral part of the country and settlement of the Pakistan Occupied Kashmir (POK), which essentially means converting the LC into an international border, can only be found under the Simla agreement—the military realities are more grim.

The basic military problem is that, notwithstanding the demarcation of the 1972 LC under the Simla agreement, both countries' perceptions on the LC itself are still incongruous. While India considers nearly 240 km from Chamb village to Madhopur headworks over river Ravi as an international border, being part of the erstwhile Jammu state, Pakistan treats this stretch as the disputed LC. Moreover, Pakistani maps show Aksai Chin and nearly 5,000 sq km Shakasam valley between KK [Karakoram] pass and Indira Col as their territory given over to China. India considers both as disputed areas.

For the remaining 700 km LC from Chamb to Indira Col, Indian military stand has been that the LC must be respected pending political solution of the Kashmir problem. Pakistan, on the other hand, since 1990 when there was an uprising in the Kashmir Valley because of government's omissions and commissions over the years, has made many attempts to change the LC itself.

Especially areas which make bulges on the LC or inroads in relation to the general run of terrain, thereby facilitating both infiltration and infiltration support, have repeatedly come under heavy Pakistani artillery fire. These are Punch, Hajipir and Bugina bulges, Gureiz, Northern galleries [as published] and Dra Kargil stretch. The covert aim being to support the insurgency in the Valley both morally and with material, and also attempt to take over the dominating high mountain pickets along the LC.

This violates the sanctity of the LC and is against the grain of the Simla agreement, which resulted in the present LC through give-and-take of territory after the 1971 war. Under the military agreement after the war, Pakistan got Chamb village and tracts west of Mannawar Tawi (which

India lost in the war). India got more overlooking heights in the Kargil sector, thereby improving its tactical position obtained in the cease-fire-line drawn after the 1965 war. About 22km in Shyok valley in sub-sector west also came to India. Kargil heights are operationally important for India as it overlooks the road life-line to Leh.

By incessantly shelling such operationally important pickets as in Kargil, the two countries, effectively speaking, are at war confined geographically to Jammu, Kashmir and Northern territories, with varying emphasis. This state of war along the LC, in Siachen where the LC was never defined and in the prevalent insurgency in the valley and parts of Jammu division are costing the nation huge amounts

Nearly 22 divisions (each with 10,000 troops) of the total 33 divisions have been committed to the LC and internal stability tasks in the border states of Kashmir, Punjab and Assam. This has affected training, administration, maintenance of equipment and morale of the troops. For this reason alone, the present status quo, which is a mid-intensity conflict on the LC and low-intensity conflict within the country, should tremendously suit Pakistan," observed a senior officer.

With Siachen talks put on the back-burner since 1989 by both countries, and present talks not addressing to the moot issue of reduction of troops along the LC, the other CBM (confidence-building measures) are being viewed by the defence services as mere symbolism.

For instance, the suggested agreement on banning use of chemical weapons bilaterally has little significance, considering both India, under conference of disarmament document CD/PV [expansion not given] 459 of 1988, and Pakistan, under CD/PV 339 of 1986, have already internationally declared that they are neither in possession of any chemical weapons nor intend producing and acquiring them in future. India has gone to the extent of ensuring that their defence teaching material in various school of instructions clearly states that the government will not resort to chemical warfare.

Pakistani track-record in connection with the CBMs has been far from satisfactory, thus, leaving grave doubts about the utility of these measures beyond being diplomatic jargon.

For instance, the day Pakistan government in August 1991 ratified the memorandum of understanding on non-violation of air space between the two countries, Pakistani helicopter was found violating Indian air space in Panch.

Considering that both countries have sophisticated navigational aids on their rotary and fixed wing aircraft, the incident cannot be dismissed as unintentional.

### Paper Details Battle for Siachen

*BK0509115592 Delhi THE HINDUSTAN TIMES  
in English 23 Aug 92 pp 1, 24*

[Article by Man Mohan]

[Text] New Delhi, Aug. 22—Indian and Pakistani troops have been exchanging artillery fire in the Siachen glacier area in Kashmir for the past two weeks and the Indian jawans [soldiers] are holding on to their positions despite Pakistani pressure. Since the Indian troops are in an advantageous position, they have suffered only minor casualties but have frustrated successive Pakistani attempts to dislodge them. The latest artillery and medium weapons duel took place on the eve of the meeting of Foreign Secretaries of the two countries here this week.

Diplomatic observers feel that by resorting to unprovoked shelling Pakistan may have been trying to put pressure on India to agree to its terms regarding the Siachen glacier issue. Defence Secretary level talks on the issue are scheduled to be held in October-November.

Interestingly, the firing at the Siachen glacier has been taking place at that time when Islamabad has been urging New Delhi to withdraw troops at the Siachen glacier.

The question is whether Pakistan by seeking withdrawal of Indian troops is trying to secure locus standi for its soldiers in occupied Kashmir and thereby strengthen the foundation for a status quo situation.

This exactly seems to be happening, Islamabad is dying to make New Delhi agree to pull back troops from the Siachen glacier—the highest battle field in the world—where war has been raging between the two countries for past eight years. Hundreds of troops have died on both sides but 90 percent of the casualties have been caused by the extreme cold and forbidding terrain.

Since April 13, 1984, when India launched "Operation Meghdoot" to push the Pakistani troops down from the Siachen glacier, the Defence Secretaries of the two countries have met several times to resolve differences on the question of "Ownership of Siachen Glacier." The meetings yielded no agreed solution, although they were considered "useful."

An agreement on the Siachen glacier concerning the "redeployment" of troops by both the sides was reached in 1989 but was not signed and thus not implemented following a change in the Government in both New Delhi and Islamabad.

Now India and Pakistan have agreed to have a fresh round of talks on the Siachen glacier in October-November. But, interestingly, before flying back to Islamabad, Pakistan's Foreign Secretary Shaharyar Khan in an interview said both the countries have "agreed in principle" to pull back their troops from the Siachen.

One can understand India pulling back troops from the Siachen heights to ease tension. But where will Pakistani troops go? They are already about 1,500 ft to 2,000 ft below the Indians on the other side of the glacier, having a precarious toehold.

Strategically, the Pakistani troops are not in a comfortable position. They keep on shelling the Indian side but not effectively. The Indian troops from the heights are in a position to do more damage to the "enemy" down below.

Pakistan has reportedly deployed two brigades—the 323 Infantry Brigade and a big chunk of the 86 Infantry Brigade—and have made numerous attempts to regain control. To keep the Pakistanis where they are now the Indian Army has been keeping a brigades's strength on the Actual Ground Position Line.

India claims control on the Siachen glacier on the strength of the historical fact that in 1947 the whole of Jammu and Kashmir had acceded to it, while Pakistan says that it had been under its "administrative control" since that year. The irony is that the Siachen area, despite three Indo-Pakistan wars since 1947 has remained "undemarcated".

Pakistan began to establish its ownership right on the undemarcated Siachen area by organising local as well as foreign mountaineering expeditions from 1974. India protested to the opening of the Karakoram highway as it passed through the Kashmir territory.

On April 3, 1984, Pakistani troops sent reinforcements along a wide stretch of high altitude area extending from Kargil to Siachen glacier adjoining Nubra Valley in the region of Ladakh. Ten days later, the Indians launched massive attacks on the Pakistanis and succeeded in pushing them down on the other side. Since then, Pakistan has been either trying to regain control of the glaciers or trying to make India agree to pull back its troops.

But the concept of pulling back troops suits Pakistan more than India. The Pakistan army is already at a disadvantageous position. What is the guarantee that Islamabad will not rush its troops again to "top positions." As far as such military matters are concerned, Pakistan has less credibility.

The Siachen glacier battlefield today is spread over 110 km range covering several passes. In eight years war, according to one estimate, both countries have spent over Rs [rupees] 15,000 crore, which is almost equal to India's entire annual defence budget.

Both the Karachi agreement of 1949 and the Simla Agreement of 1972 had left the Siachen glacier-Nubra Valley Region undemarcated. The Karachi agreement had merely mentioned that the ceasefire line terminated at a point referred to on the map as grid reference NJ 9842 with only the mention that the line then proceeds northwards to glaciers.

In the 1971 Indo-Pakistan war, when Pakistani troops were pushed further back in Pak-Occupied Kashmir and the line of control again terminated at NJ 9842. The Siachen glacier is not far from the imaginary line connecting Point NJ 9842 with the western limits of Indian territory of Jammu and Kashmir which Pakistan illegally ceded to China on March 2, 1963.

Under an agreement Pakistan gave away about 2,500 sq. miles of Hunza lying in Kashmir south of Mintaka Pass

and pointing towards Gilgit. In exchange, Pakistan got 750 sq. miles of grazing land salt mines in terrains, previously occupied by China.

The Siachen glacier is approximately 80 km long and 10 km wide at places. It runs roughly in a northwesterly direction. At its north-western extremity, the glacier is hardly 50 km from the Himalayan mountain peak K-2 (8,011 metre high), the highest summit after Mount Everest.

Also, the glacier at its northern edge is no more than 10 km from the Kashmir territory ceded by Pakistan to China under the China-Pakistan agreement of March, 1963. The glacier is also well to the west, about a 100 km, as crow flies, of Karakoram Pass, which itself is west of the extreme point of Chinese-occupied territory of Aksai Chin.

Starting from the southern slopes of the glacier, the Nubra river flows south for almost 150 km before joining the Shyok river. The glacier and the river lying almost in continuation of the glacier range constitute an important geographical entity in this region.

From its extreme north post of Indira Col, the Indian Army along the Baltora glacier, Sia La and Bilafond La and the base camp, all along the "Actual Ground Position Line" on the Siachen glacier battlefield, has been using all kinds of weapons, from time to time. In fact, the Indian Army has deployed the 155-mm Bofors Howitzer guns, which are quite effective there besides, a formidable array of surface weapons, including antiaircraft guns, missiles and artillery.

Also, this highest battlefield in the world has seen action in the air too—the Indian Air Force, which is the key link between the Army here and the plains, has used on some occasions to send its fighter planes and helicopter gunships to shell the enemy positions.

On the other side, the Pakistani army has been using sniper rifles, antitank and anti-aircraft missiles, machine guns, rocket launchers and artillery guns. Since 1984, when the Siachen glacier became an active war zone, Pakistan has been making different statements. On June 8, 1985, Pakistan Foreign Minister Yaqub Khan told the National Assembly in Islamabad that the Siachen glacier did not belong to India and that it formed a part of Pakistan's northern areas; in September 1985, the then Pakistani president, General Zia rejected the importance of the Siachen glacier by saying that "not a blade of grass grows there"; in April 1986, Gen Zia told a London magazine that India had violated the Simla Agreement by unilaterally occupying an area in the Siachen glacier; in September 1986, the then Pakistani Prime Minister Junejo said in Muzzaferabad during his visit to occupied Kashmir that Siachen had nothing to do with the Simla Agreement. In September 1986, Gen Zia said in Quetta that the Siachen glacier was not a part of Pakistan, "it is no-man's land which India has taken one fine morning and now Pakistan has also deployed its forces there;" and in June 1987, Mr Junejo said that "the ownership of the Siachen glacier is not decided yet".

But, if India now agrees to pull back its troops from the Siachen glacier to some distance away on Pakistan's suggestion, will it not amount to acknowledging Islamabad's locus standi in occupied Kashmir, and thus leading to a status quo position?

Many Indian defence experts believe that this is "not the right time" for India to pull back troops at the Siachen glacier, despite huge expenditure, in view of Islamabad's ongoing war in Punjab and Kashmir through the militants.

#### Issues Involved in Ties To Dhaka Reviewed

*BK2408121792 Delhi All India Radio General Overseas Service in English 1010 GMT 24 Aug 92*

[Commentary by Political Commentator Kirtik Bhowmick]

[Text] The ushering in of democratically elected government in Dhaka raised hopes that there would be now a better understanding of each other's viewpoints and consequently there would be greater cooperation between the two neighbors in all fields. And, the beginning of the expected chapter was quite promising. After 18 long years, one item of the 1974 Indira Gandhi-Mujibur Rahman agreement, namely, giving free access to Bangladeshis to their enclave of Dahogram and Angarpota through a small strip of Indian territory Tin Bigha, was successfully implemented. Since the implementation of the Tin Bigha accord, New Delhi has been anxiously scanning the horizon for the first signs of a hand of friendship approaching. That [words indistinct] utopia. Meanwhile, Dhaka has shown the signs of relenting on the basic issues that have been dividing the two nations. Some of these are as old as the liberation of Bangladesh. There are others of more recent in origin which have become matters of the concern for the Indian Government and people.

Topping the list of contentious issues is the sharing of the waters of the Ganges and other common rivers. This problem predates liberation [of Bangladesh]. That is, it is an issue with which the two countries have been grappling since the days Bangladesh was part of Pakistan. The problem remains where it is. India's minister for water resource development, Mr. V.C. Shukla, will be visiting Dhaka tomorrow, Tuesday, with a team of experts. But what he is likely to achieve is nothing more than thrashing out a water sharing formula for the Ganges, an earlier water sharing accord having expired. No difficulty is envisaged in achieving this limited objective because Begum Khaleda Zia, the prime minister of Bangladesh, has the assurance of the Indian prime minister, Mr. P.V. Narasimha Rao, that India will fully cooperate in drawing up a new formula. When this is done, Bangladesh will be the beneficiary just as Bangladeshis are now able to freely travel to their enclaves through Tin Bigha.

New Delhi is justified in expecting that Dhaka will reciprocate by solving some of the problem which affect India adversely. A list of priorities has already been given to the Bangladesh authorities. One matter that is causing concern to Indian authorities is the sanctuary being given to the United Liberation Front of Assam—ULFA. Militants in Bangladesh and ULFA leaders are getting money and

guidance from the Inter-Services Intelligence of Pakistan through the Pakistan Embassy in Dhaka. Other militant groups from other states of the Northeast are being similarly assisted. The Indian home minister, Mr. S.B. Chavan, brought this to the notice of the Bangladesh prime minister during her earlier visit to Delhi and suggested that the two countries cooperate in putting down terrorism in the region. Putting down terrorism through joint effort in South Asia is one of the agreements of South Asian Association For Regional Cooperation. Begum Khaleda's response was lukewarm. She flatly denied that Bangladesh was giving shelter to ULFA militants. Mr. J.N. Dixit, India's foreign secretary, during his visit to Bangladesh was similarly told that there were no ULFA militants in Bangladesh. There is also no change in the Bangladesh Government's stand on the Indian complaint that large-scale influx of illegal Bangladesh migrants into India is taking place. Mr. Dixit was told in Dhaka quite emphatically that not a single Bangladeshi is going over to India, despite the colonies of Bangladeshis sprouting in different parts of the Indian capital. As regards the Chakma tribals in India's Tripura, Bangladesh continues to repeat that it is keen for improving conditions in the Chittagong Hill Tracts of Bangladesh. New Delhi will be hopefully waiting for the results.

In the economic field, the sale of natural gas of which Bangladesh has abundant reserves is one of the proposals made by India. The West Bengal chief minister, Mr. Jyoti Basu, is keen to buy Bangladesh natural gas for his (Sagar-dig) power plant at Murshidabad District. The proposal for selling natural gas to India to partly solve her foreign exchange problems was first made to Dhaka by the UK Government. Now even the World Bank has added its voice to it. Dhaka may still be considering the proposal and, therefore, may be taking time for a positive response. With the present attitude of Dhaka, is there any chance for the Indian proposal for giving passage to Indian goods through Bangladesh territory? [sentence as heard].

#### Efforts for Good Relations With Neighbors Noted

*92AS15164 Madras THE HINDU in English  
22 Aug 92 p 9*

[Article by K.K. Katyal: "Govt. Cultivating Neighbours"; boldface words as published]

[Text] New Delhi, Aug. 21. Contrary to the fears expressed at the time of the Congress (I)'s return to power last year, the present Government has chosen not to revert to the tough line, with which the ruling party was associated in the past, in its dealings with the neighbours. On the contrary, conscious, considered policy decisions are discernible behind the efforts to give a positive twist to the bilateral ties in each case, and to try to remove irritants, as far as possible.

This care is reflected, apart from other factors, in the choice of diplomats to head the Indian missions there. For instance, the Colombo post due to fall vacant later this year, because of the retirement of the present High Commissioner, Mr. N.N. Jha, is proposed to be filled by an

experienced Foreign Office hand, Mr. Naresh Dayal, recently promoted as an Additional Secretary. Some months ago, Mr. S. Lamba was chosen to head the High Commission in Islamabad on the strength of his association with Pakistan (both as the head of the Pakistan desk in the External Affairs Ministry and as number two in the mission in Islamabad).

In Nepal, Prof. Bimal Prasad, a political appointee selected by the previous government, headed by Mr. Chandra Shekhar, was not disturbed. Implied in it was a message that the policies followed by the former Prime Minister, known for his close personal relations with the ruling Nepali Congress leaders, were not to be changed.

Last year, a seasoned diplomat, Mr. Salman Haider, was posted in Beijing. In view of the current thinking to shift him from there for an important assignment at the headquarters or elsewhere another Additional Secretary has been thought of as his successor.

The present neighbourhood policy is an extension of the line, adopted by the preceding non-Congress (I) Governments rather than the one followed by the Rajiv Gandhi administration. It has paid rich dividends in the case of Nepal, where the problems posed by misperceptions on political issues as also the plans for joint hydroelectric projects, were sorted out.

**Major landmark:** As regards Bangladesh, the recent transfer, on perpetual lease, of a tiny area, Tin Bigha, has been rightly hailed as a major landmark in the dealings between the two countries. Though the transfer could not be effected earlier because of the prolonged litigation, resulting from the challenge in the law courts to the Government's plan on Tin Bigha, a lack of political will, too, was perceived as the cause for the non-implementation for years of an international agreement on the subject. The suspicions, thus, created in Bangladesh about India's intentions, and the resulting damage to the bilateral relationship were disproportionately large compared to the size of the territory involved in the case.

New Delhi will do well to build upon the tremendous goodwill generated in Bangladesh as a result of the transfer. The river water sharing issue will take time to be resolved, but progress in other areas should not be a problem. This process could receive a big push, with an appropriate reciprocity by the other side. India has a genuine grievance about the illegal migration from Bangladesh which Dhaka could address in the interest of good-neighbourly relations.

The forthcoming visit here of the Sri Lankan President, Mr. Premadasa—in October—will provide a long-felt opportunity for the top-level interaction on bilateral issues even though he will be here in his capacity as the SAARC [South Asian Association for Regional Cooperation] Chairman for discussions on the subjects to be taken up by the association's summit in Dhaka in November. For a variety of reasons, New Delhi's dealings with Colombo have remained in a low key, lacking the warmth that should characterise such close neighbours with manifold

linkages. The issues arising out of Rajiv Gandhi's assassination added to the strains but those in Colombo who had feared a reversion to the tough line by India would have revised their opinion.

With Bhutan and the Maldives, there are no problems, and the bilateral ties have remained strong both in the political and economic contexts.

**Different story:** It has been a different story with Pakistan because of its continued help to terrorists, operating in the Kashmir Valley and Punjab, and its efforts to internationalise the Kashmir issue. At one stage, it contemplated an approach to the U.N. Security Council but, as the Pakistan Foreign Secretary, Mr. Shaharyar Khan, told the Indian hosts during his recent visit, there were no such plans now. There has been some advance in regard to issues other than Kashmir—as evident from the signing of the two documents, the code of conduct and joint declaration on chemical weapons, the schedule for negotiations on other issues, notably Siachen.

There was a fair amount of commonality in their assessment of the situation in Afghanistan which had never been the case in the past. Mr. Khan and the Indian counterpart, Mr. J.N. Dixit, could not agree on nuclear nonproliferation but the Pakistan side appeared to recognise the logic of the ideas that the scope of the discussion needed to be enlarged, instead of confining it to five powers.

There was nothing to suggest that Pakistan's help to terrorists would stop. Mr. Khan did not accept the charge that Pakistani agencies were instigating trouble in India. The border, according to him, was so tightly policed that infiltration was not possible. He, however, spoke of the existence of "arms bazaars" on the subcontinent, suggesting that the flow of arms was the handiwork of smugglers, not of official agencies in Pakistan. He suggested "mutual patrolling" at the border as an additional check. This proposal made by Pakistan in the past—it was then called coordinated and simultaneous patrolling—had been tried and found unworkable. India wanted joint patrolling but it was not acceptable to Pakistan.

#### Illegal Bangladesh Immigrants Cause Problems in Delhi

*BK1909101992 Delhi INDIAN EXPRESS in English  
10 Sep 92 p*

[Excerpts] New Delhi—Illegal Bangladesh immigrants, who have swelled in number in the Capital, have come into focus in the recent past. This has happened against the backdrop of Assembly elections in Delhi and the preparation of electoral rolls.

The accusations that follow are that the Bangladeshis—most of them working as ragpickers, cobblers, scrap dealers or at best factory hands—are being used as a vote bank.

Official estimates place the number of illegal Bangladesh immigrants at 200,000. Unofficial figures, however, put their number well over this. [passage omitted]

Most of the deportations, though, have followed increasing evidence of their involvement in crime. Delhi Police, as a

matter-of-fact had set up a special cell earlier this year to drive out the illegal Bangladesh immigrants. Sources in the police say that there has been a spurt in crime in areas where the illegal Bangladeshis are concentrated and indicate their involvement with the local mafia. The police have also asked all the district divisions under it to list the number of illegal Bangladesh immigrants and inform headquarters. The specific brief of the special cell would be aiding in the identification and deportation of the Bangladesh immigrants. Bangladeshis now find themselves in focus mainly because of the preparation of electoral rolls in the Capital.

### Internal Affairs

#### Panel Issues Report on Banking Operations

##### RBI Control Doubted

92AS1504A Bombay *THE TIMES OF INDIA* in English  
26 Aug 92 p 1

[Text] Bombay, 25 August: The third report of the Janakiraman committee has highlighted transactions of Citibank, Bank of America, Bank of Karad, Metropolitan Co-operative Bank, Syndicate Bank, Bombay Mercantile Bank and Nedungadi Bank. It has also come up with a few new brokers' names pertaining to transactions in Andhra Bank—these are Batlivala & Karani, Naresh Agarwala and Mahesh Babu.

The report has basically continued the work of its first and second reports and found that similar transactions have taken place in a bunch of other banks as well. This implies that the RBI's [Reserve Bank of India] control over the system itself had gone haywire.

According to the third report of the Janakiraman committee, "only three banks/institutions accounted for 90 percent of the total investments made out of the funds deployed under the portfolio management schemes."

The three are Citibank (which accounted for Rs [Rupees] 1,298.12 crores of investment or 55.73 percent of the total), Canfina (Rs. 443.47 crores or 19.04 percent) and Syndicate Bank (Rs. 337.34 crores or 14.48 percent).

The committee comments that instead of the portfolio management scheme being utilised by corporate clients to deploy their surplus funds in capital market instruments, as was intended, with the risk being borne by the clients, the scheme was converted into a "deposit substitute" by banks and clients.

The report charges banks with having represented to their clients "that the funds placed under the scheme would be deposits which enjoy a higher rate of return than permitted for normal deposits, and a rate of return was indicated, though not guaranteed." Clients perceived the scheme as one which did not entail any risk.

Also, as the banks began to accept short-term funds, instead of long-term investible funds, as was originally intended, banks created other schemes to overcome the rule that funds had to be placed for a minimum of one year

under this scheme. These included "ready forward transactions," whereby securities, bonds and units are sold to clients on a "ready" basis and repurchased after the specified period at a pre-determined rate which assured a guaranteed rate of return to the client, with no risk.

To highlight the magnitude of this operation, the report gives the example of Citibank which, between 1 April 1991 and 31 May 1992, entered into ready forward deals (with parties which had placed over Rs. 5 crores each) for a total of Rs. 5,972 crores (or Rs. 427 crores per month on an average). The figures for Bank of America were Rs. 6,954 crores.

The report states, "The ready forward transactions entered into by the banks with their clients, particularly in respect of bonds and units, were clearly in contravention of the RBI guidelines in that regard."

It also highlights the fact that given the manner in which these transactions were entered into, clients ended up bearing substantial risk as the market values of securities declined.

The third report also says that brokers have provided no satisfactory explanation as brokers were taken huge losses or gains on behalf of banks. The committee suspects that the gains/losses are compensatory adjustments for other losses or that the brokers had guaranteed a rate of return for clean advances.

In several of Hiten Dalal's transactions, the committee finds that there are large differences in transactions, and the ultimate payment for the differences come out of another broker—Abhay Narottam's account.

In respect of the Bank of Karad and Andhra Bank, it finds that the banks were issuing their own subsidiary general ledger (SGL) forms against SGL forms brought by brokers, and charging a fee for these services.

It reveals that on 30 June 1992, the total book value of bonds held by banks/institutions and on behalf of their clients in portfolio accounts amount to Rs. 8,521 crores or 40 percent of the total issue.

The committee points out that banks have not been marking the values of bonds held by them to market. It suspects that ready-forward transactions in PSU [public sector undertaking] bonds and units were used as a device to artificially increase the carrying costs of investments and book a profit on initial sale or to avoid debiting to the profit and loss account the expense for the use of funds during the period of the read-forward transactions.

The aggregate carrying cost of the bonds is Rs. 7,794 crores on "own account" and Rs. 727 crores on "PMS" account. The committee suggests that even on the basis of a ten percent drop in market value of the bonds, the shortfall could be a whopping Rs. 780 crores in respect of "own investments" and Rs. 73 crores on "PMS account."

The Janakiraman committee has expressed the view that with the appointment of the joint parliamentary committee [JPC] to look into the securities scam, and considering that the JPC will cover the same ground, "its

(Janakiraman committee's) continuing with further investigations would not only involve duplication of efforts but is also likely to hamper the work of the JPC."

It also refers to work done by other investigating agencies which too need to draw upon the RBI's resources. The Janakiraman committee plans to confine its future work to areas already taken up by it. The committee finds it inappropriate to "fix responsibility for the malpractices and to recommend actions," and would rather leave this to the JPC.

The reason: several documents and findings are with other agencies (which it does not name but obviously implies the Central Bureau of Investigation and the Income-Tax).

### Foreign Banks Scored

92AS1504B Madras *THE HINDU* in English  
27 Aug 92 p 8

[Boldface words as published]

[Text] Bombay, 26 August: That Citibank is a major player on the securities market is common knowledge. But that it became one by seemingly violating every rule in the book must come as a surprise.

Glimpses of Citibank's improper deals were provided in the second interim report of the Janakiraman Committee. The details ferreted out by the third report is a stiff indictment of the foreign bank's style of working which boasts of having the best structured organisation among banks operating in the country.

The bank has not complied with most of the RBI [Reserve Bank of India] guidelines detailed on 26 July 1991. Citibank is permitted to enter into ready forward transactions in Government securities and not in PSU [public sector undertaking] bonds and units. In turn Citibank has contended that as the transactions were not on its own account but on behalf of its fiduciary clients, there is no violation of the guidelines.

**Overdrafts:** Funds under the Portfolio Management Scheme (PMS) of the bank stood at Rs [Rupees] 1,275.73 crores as of 28 May 1992. In May-June 1992, the accounts of some of its PMS clients were allowed to be overdrawn. As of 29 June, 1992, the aggregate overdraft in such accounts came to Rs. 237.74 crores. The bank says, it had forward purchase/sale commitments for the PMS clients. The forward sale commitments were not taken up by the counterparties, mainly Canfina, for Rs. 235 crores but the foreign bank honoured the forward purchase commitments leading to overdrafts. No interest has been charged on the overdrafts.

It has entered into a large number of ready forwards without holding counterparty confirmations in some cases leading to the possibility of the counterparties not completing the second leg of the transactions. In some cases the second leg of the transactions has not been completed. For example, in deals with Canfina on behalf of fiduciary clients, in IRFC, CIL, NPTC, [expansions not given], NTPC [National Thermal Power Corporation] and HUDCO [Housing and Urban Development Corporation]

bonds of an aggregate value of Rs. 235 crores, the second leg of the deal fell due between June and August 1992 but the same has not been accepted by Canfina. Again contracts with Canfina for PSU bonds of a face value of Rs. 356 crores and with Standard Chartered Bank for two crore units have become overdue.

A principal line of activity for the U.S. bank is securities transactions. From 1 April 1991 to 23 May 1992, the total face value of transactions entered into by the bank aggregated Rs. 215,179.92 crores—some 17.55 percent of the total face value of transactions entered into by reporting banks. Of these, "own investment" transactions formed a very small portion with the bulk on behalf of the PMS clients. In other words, the bank played around with others' funds.

**Main brokers:** The main brokers participating in the deals were Mr. Hiten P. Dalal, C. Mackeritch and Stewart & Co. A number of transactions were with the Bank of Karad Ltd. while in the books of the latter the transactions have been recorded in the account of broker Mr. A.D. Narottam. The bank issued BRs [?bank rates] even where the SGL [subsidiary general ledger] facility was available. It has accepted BRs from other banks not in the prescribed format. The BRs were not exchanged within the mandatory 90 days in several cases. In some instances, the SGL transfer forms issued by the foreign bank have bounced. In all cases noticed by the Committee dishonour of SGL transfer forms issued by Citibank followed dishonour of the SGL transfer forms received from other banks, especially the Standard Chartered Bank, which have bounced.

To take up a sample deal. On 1 June 1991, Citibank entered into a sale contract with Bank of America for sale of 11.5 percent GOI [Government of India] loan 2010 of the face value of Rs. 107 crores at a price, net of brokerage of Rs. 100.95 (brokerage being 0.05). The broker was Mr. Hiten Dalal and the transactions were on behalf of Citibank's fiduciary clients. An amount of Rs. 112.44 crores was the sale proceeds as recorded in Citibank's books. In the books of Bank of America, the purchase is recorded at a rate of Rs. 98.15 crores and accordingly it made payment of Rs. 109.39 crores. The difference of Rs. 3.05 crores was received by Citibank from the Bank of Karad Ltd. and in the latter bank the amount was debited to the account of Mr. Narottam. The Bank of Karad holds Mr. Narottam's memo instructing it to issue a "cheque favouring Citibank for Rs. 3,04,95,000 with a memo on them to adjust this amount towards difference on Rs. 107 crores 11.50 percent 2010 a/c Hiten P. Dalal." Citibank has claimed that the cheque from the Bank of Karad was sent by Bank of America but the latter stated that it did not pass on any additional amount other than its own cheque for Rs. 109.39 crores.

**Reliance shares:** Yet again there is the curious deal in equity shares of Reliance Industries Ltd. As recently as 10 April 1992, Citibank purchased from ANZ Grindlays Bank on behalf of its fiduciary clients 15 lakh equity shares of Reliance Industries at Rs. 400 through Mr. Hiten Dalal. This deal is not recorded in the books of the ANZ but the cheque for Rs. 60 crores issued by Citibank has been

credited to the account of Mr. Harshad Mehta in ANZ Grindlays. On 13 April, 1992, Citibank sold the shares at the identical price of Rs. 400 per share to Mr. Hiten Dalal. On the same day it also purchased 150 lakh units of Cantriple at Rs. 50 per unit from Mr. Hiten Dalal and made a net payment to him of Rs. 15 crores. The purchase and resale of the Reliance shares appears to be an accommodation of Rs. 60 crores for three days to broker Mr. Harshad Mehta to settle part of his dues to the SBI.

#### Sharma Independence Day Eve Address Reported

92AS1489A Madras *THE HINDU* in English

15 Aug 92 p 9

[Text] New Delhi, Aug. 14—The President, Dr. Shankar Dayal Sharma, today urged the people to combat communalism and casteism saying that these "pernicious elements have a malignant bearing on national life." He also warned against the threat posed by terrorism and said that only the "resolute, determined will of the people" could rid the nation of the ills.

Addressing the nation over AIR [All India Radio] and Doordarshan on the eve of Independence Day, Dr. Sharma, in his first broadcast as President said: "Each of us has a duty to perform to achieve this. A nationwide effort is required and we have to persevere relentlessly to succeed."

He condemned in very strong terms the wave of terrorism which "under the pretence of religion" was targeting innocent people. "We must reiterate our solidarity with the families of the victims and fight this menace to the finish," he added, stressing the "insidious nexus" between terrorists and the narcotics trade.

#### Tradition of tolerance

The President underlined the country's tradition of tolerance and understanding and urged the people to "appreciate the true meaning and value of secularism." Emphasising the pluralistic nature of Indian society, he said "Amidst the wideranging diversities of topography, climate, ethnicity, language, local traditions and customs, we need fully to understand the supreme value of national unity and the oneness of India that imbues all its diverse elements."

He said that in a society still "stratified" in terms of income distribution and ownership of wealth it was important to respect the concepts of social justice, democracy and the rule of law. It was the duty of every citizen to contribute to the national wellbeing, and to help remove poverty. "In the effort to remove poverty, we need to remember the value of selfless service and the dignity of labour," he said.

#### Vistas of growth

Dr. Sharma referred to the "great vistas of positive growth" and said parliamentary democracy and the proper functioning of the institutions of democratic governance were of central importance to the "realisation of the prospect before us." India, he said, owed its present

position and strength to the power of the people guided by leaders and parliamentarians of outstanding stature.

The President said the country had a wealth of talented and dedicated men and women comparable with the best in the world. "This tremendous strength of human resource and ability has its greatest positive effect in tasks of national reconstruction when exerted in an environment of true democracy. It is crucial that all participate wholeheartedly to safeguard and magnify the gains of freedom."

#### Role in world affairs

India had given much to humankind and its message to the rest of the world had been one of peace, friendship and co-operation. It would continue to play a "creative role" in world affairs for a better future for all, Dr. Sharma said, calling upon the people to help build a "new India, strong, vibrant and progressive."

He reminded the nation that human dignity, freedom, secularism, democracy and social justice were at the core of the humanist way of life in India. "These form the quintessence of the philosophy permeating our Constitution and the true basis for our nationhood. Every success in our national endeavours, before or after independence, can be traced to the espousal and pursuit of these ideals," he said. Only by following such ideals would the nation succeed in embarking on the path of real national and individual development.

The President commended the positive aspects of new technology but pointed out that in the process of accepting them the "elevating components of our ancient culture" should not be forgotten. "Sustained by our own national values and ethos, let us also welcome noble and wholesome thoughts from all sides," he said and added: "Forty-five years after independence, perhaps more than ever, we have to comprehend and manifest the flaming spirit of service, patriotism and sacrifice that blazed through our national struggle for freedom."

#### P. Chidambaram Interviewed on Resignation

92AS1494E Secunderabad *DECCAN CHRONICLE*  
in English 12 Aug 92 p 11

[Interview by Karan Thapar of EYEWITNESS of P. Chidambaram, former commerce minister; place and date not given]

[Text] The following is the first interview given by former Commerce Minister P. Chidambaram after his resignation. He spoke to Karan Thapar of EYEWITNESS.

Karan Thapar: Chidambaram, tell me, why did you resign?

P. Chidambaram: Because I thought that was the honorable thing to do.

Q: But in most people's eyes, resignation is an admission of guilt. Were you guilty?

A: No.

Q: But then why did you resign?

A: I offered my resignation, and I was very clear in my mind that I should not cause even the slightest embarrassment to the government.

Q: But you know, a lot of people say—you've probably heard the expression—"There is no smoke without fire." How do you counter that sort of criticism when it's made to you?

A: I don't counter it because nobody makes that criticism to me.

Q: Well, if I made it to you?

A: I will say you are wrong.

Q: So yours was purely an honorable act, because you felt that a minister in your position should offer his resignation?

A: If there was the slightest embarrassment to the government, I think the minister should offer his resignation.

Q: Alright, I accept that you're completely innocent, although I am sure there may be others who may have reservations about that matter. But let me put this to you, by offering your resignation in these circumstances the way you did, weren't you making yourself a scapegoat, weren't you offering yourself as a sacrificial lamb?

A: No.

Q: You weren't?

A: NO.

Q: Well, if you weren't offering yourself as a sacrificial lamb, why was your resignation accepted?

A: That's the PM's [prime minister] judgment and I said in my letter, "I leave the matter to your judgment," Karan, you forget that by training as a lawyer, I leave matters to the judgment by others.

Q: But also by training as a lawyer, you don't take the steps that can be misinterpreted and misconstrued. Now this was a step that could be misconstrued.

A: But no reasonable person did. All the editorials said that it was nothing wrong. And I have received hundreds of letters. I went to Bombay, went to Bangalore. No one says there is anything wrong or illegal. But there could be embarrassment to the government. Therefore the offer of resignation was the right thing to do.

Q: If there was nothing wrong or nothing illegal, why should there be embarrassment to the government?

A: Because the company is under investigation, because there is a bank scam. One must find out who was right and who was wrong. So therefore, there could be embarrassment to the government.

Q: Let me put it differently, did you expect the Prime Minister to accept your resignation?

A: I was mentally prepared on the 4th of July to leave the government.

Q: No, but let's look at it carefully, you did nothing wrong, you were only offering a pro forma resignation, why then were you mentally prepared to leave the government?

A: Because if there was embarrassment to the government, I should offer...

Q: But you're absolutely certain in your own mind, you've done nothing to embarrass the government.

A: Well that's not... we can go round in circles. The point is...

Q: The point is, as a politician, did you not take an action which may have been very honourable morally, but which politically may have been a little silly. You may have been offering yourself as a scapegoat without even realising it.

A: I said no to that earlier.

Q: Then you're absolutely still convinced the answer is no.

A: My answer was and is no. I think I did the honourable thing. And I left the matter to the PM's judgment. I accept his judgment.

Q: Did the PM do the honourable thing in accepting what was clearly just a pro forma resignation?

A: Well, I don't know where you get the word pro forma. I offered my resignation because I don't think one offers a resignation and not offers at the same time. And I think the PM must have weighed the pros and cons and must have decided. The point is, his could be an interim judgment. His could be a final judgment. I accept his judgment.

Q: I am sure you accept his judgment, as a disciplined member of the party you have to. And I will explore in a moment with you whether it is interim or not. But first of all, when you offered it, did you expect it to be accepted?

A: It doesn't make any difference to me.

Q: With hindsight, now do you regret having offered it?

A: No, not at all.

Q: You'd do it all over again?

A: Under the same circumstances I would offer it all over again.

Q: Okay. Before we talk about whether this is an interim judgment, let me put one other thing to you. Have you in any way benefitted from shares of investments that you made when you were minister, which arrived out of information that you got through your official capacity which others wouldn't have?

A: No, no way. Nobody even accuses me of that.

Q: Again, when people say there is no smoke without fire, people say you bought these shares in Fairgrowth cheaply and they went up afterwards. After all, you are supposed to have got them from what's called the promoters quota.

A: Well I think this has been explained by a number of people. Even someone with a bare acquaintance with company law and procedures will know all companies which have not been authorised by the CCI [Cotton

Corporation of India] to make a public issue have to place their shares by what is known as private placements. Now private placement is not clandestine placement. Private placement is a term and art. In this company 86 lakhs shares were sold by private placement to thousands of investors all over the country.

Q: And that had to be the procedure?

A: It is the only way in which the shares could have been sold.

Q: Let me ask you. Did you benefit financially from your investment in Fairgrowth?

A: Listen, if this company goes under, I am going to lose Rupees 2.5 lakhs, not benefit anything.

Q: Rajiv offered me a role in politics. [Sentence as published] So you don't stand to make money, you stand to lose money?

A: If the company goes under.

Q: In which case, let me come back to the central issue. You've already done nothing wrong. You're clearly going to lose money rather than make money. So once again, why did you put yourself in a position where you were becoming a sacrificial lamb?

A: I don't see myself becoming...

Q: You made yourself an offering for Narasimha Rao's own political judgment.

A: Well, I have rejected that argument of yours twice. I have great pleasure in rejecting...

Q: What I am accusing you of, if I can use that phrase, is that you were honourable but unwise.

A: Perhaps. So what's wrong about that.

Q: Okay. You said that you're determined not to change your position. And I am sure the PM at some level will hear of this interview, so let me now ask you carefully, you say or you hope it's an interim judgment that he has taken. Do you expect to be a minister again?

A: I don't know.

Q: You're not likely to say no if Narasimha Rao picks up the phone and offers you a job.

A: We will see that. That's not the issue now. The issue today is...

Q: The issue today is how will you reinstate what was a flourishing political career, which now has slightly stumbled. What are you going to do to reinstate it?

A: I have never looked upon politics as a career, I know that might sound corny. My career is law. Politics was an opportunity which Rajiv Gandhi offered me, parliament something which Mr. Narasimha Rao offered me again and I have enjoyed working.

Q: So you are honestly indifferent to what's happened?

A: Yes.

Q: You are not shaken?

A: No, not at all.

Q: You're not upset?

A: No way. I mean, I receive mail, people accost me at airports, people come to my house and I have...

Q: Oh that note of reassurance from you, Chidambaram thank you very much for joining us.

A: Thank you. I think this has given me an opportunity to answer some doubts about what was done and I think we should just leave it there. I don't think we should worry too much about what the future has in store. I think all is well that will end well.

## BJP Leaders Discuss Domestic, Economic Policy

### Vajpayee in Coimbatore

92AS1519A Madras INDIAN EXPRESS in English  
10 Aug 92 p 5

[Article: "Vajpayee Demands Action To Curb ISS (Islamic Sevak Sangh) Activities"; boldface words as published]

[Text] EXPRESS NEWS SERVICE—Coimbatore—BJP [Bharatiya Janata Party] leader A.B. Vajpayee on Sunday called for firm action to curb the activities of the Islamic Sevak Sangh, in Kerala, which was involved in the recent disturbances in that State.

Talking to newsmen, he disputed its comparison with the RSS [Rashtriya Swayamsevak Sangh] and said the latter was a peaceful organisation. Only a "diseased mind" could compare the two organisations, he said. He pointed out that while in Ayodhya itself the situation was peaceful, the Kerala-based organisation had been creating disturbances in the State.

Asked whether he favoured a ban on such fundamentalist organisations, he said that a ban was not necessary and what was essential was that the Government kept a vigilant eye on its activities. He also urged that the Government of India should prove its alleged link with a neighbouring country.

The BJP leader reiterated that his party would honour the verdict of the Supreme Court on the Ramjanmabhoomi dispute. He denied that Vishva Hindu Parishad [VHP] had ever stated that it would not accept the court verdict. What the VHP had stated was that no court could decide on matters of faith, whether Rama was born at Ayodhya or not. At the same time, the Court had a right to decide about the status of the property in dispute. To that extent, the BJP would accept the court's ruling whether there existed a temple, before the Masjid was built.

**LTTE presence:** Mr. Vajpayee expressed distress at the reported difference of opinion between the Tamil Nadu intelligence and the Central intelligence on the presence of LTTE [Liberation Tigers of Tamil Eelam] in Tamil Nadu and wished that both of them cooperate, so that the activities of LTTE, which was responsible for the death of Rajiv Gandhi, could be curbed.

**Capitation fees:** Referring to the issue of capitation fees, he hailed the judgment of the Supreme Court declaring collection of capitation fees unconstitutional. At the same time, he pointed out that when the demand for seats was high and the seats were limited, there should be no bar on private organisations starting educational institutions. What they should ensure was that these institutions were not run on a commercial basis. He personally would prefer that in view of the limited resources of the state, the tax revenue should be spent more on universalisation of education at primary levels and private agencies should be allowed in the field of higher education. Since the issue of capitation fees is not confined to Tamil Nadu, he would urge the Centre to convene an all-party meet at the all-India level.

**JD split:** Mr. Vajpayee declined to comment on the recent split in Janata Dal [JD]. But he felt that the anti-defection law had failed and the candidate who worked against the party's interests should automatically be disqualified from being member of the parliament or legislature. Defection should not be decided by the game of numbers.

The BJP leader said that the BJP was conducting a campaign for a "debt-free India" from Aug 9 to 14 to emphasise the importance of Swadeshi spirit. He claimed that the Anglo-American model of development was not suited to India. He would prefer India, as leader of the nonaligned movement, to devise its own model of development.

**Foreign debts:** Asked whether the BJP would call for repudiation of foreign debts, he said that BJP was not opposed to World Bank or IMF loans and what it was opposed to was the conditionalities attached to such loans. Mr. Vajpayee replied in the negative, when asked whether BJP-ruled states would refuse World Bank aided projects in their states and reiterated that what BJP wanted was that foreign investment be restricted to the field of oil exploration or heavy industry only and not in consumer industries.

He asked why public sector institutions should invest their deposits in foreign banks like ANZ Grindlays, when they had their own State Bank of India or other nationalised banks.

Asked whether the heavy outlay for defence was not responsible for India's mounting indebtedness, Mr. Vajpayee agreed that there was scope for economy in defence expenditure, without reducing its firepower.

As chairman of the Public Accounts Committee, he could say that there was room for saving in defence expenditure.

Stating that there was need to improve our relations with neighbours, he said the country needed a full-fledged external affairs minister. "There is a gap, after the exit of Mr. Solanki," he said.

### Joshi in Hyderabad

92AS1519B New Delhi INDIAN EXPRESS in English  
10 Aug 92 p 3

[Article: "BJP (Bharatiya Janata Party) for Moratorium on Foreign Loans"]

[Excerpt] EXPRESS NEWS SERVICE—Hyderabad—The Bharatiya Janata Party [BJP] is for a moratorium on India seeking any further debt from foreign countries.

The party's all-India president Murli Manohar Joshi, who was here to launch the nationwide "Debt Free India" of the BJP here on Sunday, said foreign borrowings were growing at the rate of 13 percent per annum and within five years, India would be the largest indebted country in the world.

By 1998, the country would reach the "zero inflow debt" stage when entire foreign borrowings would go only towards repayment of loans taken earlier. As of now, 70 percent of the borrowings were used for servicing previous loans.

The BJP president warned that if the foreign borrowings continued at the existing rate, India would soon lose its economic independence which would be as good as mortgaging the country's sovereignty.

Addressing a press conference, Mr. Murli Manohar Joshi said that Indian economy cannot be made dependent on foreign loans. Time has come to put a Constitutional ceiling on foreign borrowings wherein the government of the day would have to compulsorily approach the Parliament for taking loans from foreign countries or agencies for any purpose.

The BJP president said there needs to be a cut on government's expenditure and the country has to learn to live within its means. He pointed out that India's foreign debt, which stood at Rs [Rupees] 13,000 crore in 1981 shot up to Rs 135,000 crore by 1992. This was in addition to an internal debt of Rs 3,248 crore.

Mr. Joshi said that the BJP's week-long campaign would create awareness among the people about the pitfalls in Congress's policies and the dangers they were posing to India. He felt there was a false impression among some of the people that taking loans from the International Monetary Fund was for the country's good.

### Leaders Discuss President's Rule, Separatism in Nagaland

92AS1569A New Delhi JANSATTA in Hindi 15 Aug 92 p 5

[Leaders discuss separatism movement in Nagaland: "The Opposition Issues a Warning Upon the Imposition of President's Rule in Nagaland"]

[Text] M.M. Jacob: President's rule was imposed in Nagaland on 2 April 1992. The law-and-order situation improved after presidential rule was established. Voter lists should be cleaned up by January 1993. Therefore, it is not possible to hold elections there before 1 October 1992.

Because of the situation it would be difficult to hold elections before the expiration of president's rule. It is suggested that presidential rule in Nagaland be extended for six more months on 2 October 1992.

**Ram Rattan Ram:** The people in Nagaland are angry because of presidential rule, dismissal of the governor, and the government's autocratic attitude. The incidents of skirmishes between the rebel Nagas and the security forces are increasing because of this anger. This confrontations are limited to the security forces only. This proves that the Naga terrorists have not antagonized the citizens of the state. President's rule should not be continued and new elections should be held as soon as possible to start a democratic process.

**Bhuvneshwar Kalita:** I support this decision. The situation in Nagaland is of concern to all of us. Even after all the efforts of various governments, including the present one, the problem of terrorism is not resolved. Many incidents of corruption were brought to light after president's rule was established on 2 April 1992. The public disbursement system was totally corrupt. President's rule proved to be a blessing for the people. That is why some people have personally insisted that this rule be continued. A democratic government should be established in Nagaland by holding elections soon.

**W. Kulbidhu Singh:** A democratic system and new elections should have been held when the temporary government headed by Mr. Vamujo was dismissed. The reason given for not holding the elections was the law-and-order situation in Nagaland was very bad. It was not as bad as it was in Jammu and Punjab. I acknowledge that the law-and-order situation is not satisfactory. Still, the government could have made arrangements for holding elections. It would be better if a democratic government is established instead of extending president's rule for six more months.

I oppose extension of president's rule in Nagaland and insist that the government start the democratic process there.

**John F. Fernandes:** I support the decision to extend president's rule in Nagaland. The state governor had dismissed the state legislative assembly under Article 174 on the recommendation of the chief minister. The president of India, on recommendation of the governor, established presidential rule in the state under Article 356. Article 174(2) gives too much power to the governor. I urge the honorable home minister that he send a directive to the governors asking them not to abuse Article 174 and make decisions at will.

Nagaland is a border state and it has the problems of uprisings and of maintaining law and order. The home minister should know whether any talks were held with the rebels during the president's rule and are they being introduced into the national mainstream or not. The home minister should decide to start industries in Nagaland in order to rehabilitate the aborigines there. I also urge the honorable home minister to hold elections before 2 October.

**Motru Hanumant Rao:** The central government dismissed the state assembly without the governor's recommendation and established president's rule. The whole nation expressed anger over it and called it a blow to the democratic system. All opposition parties opposed this action. Mr. Vamujo promised to hold elections soon, however, the central government wanted to maintain president's rule. The rebel elements are not limited to Nagaland; they are found elsewhere also. There is corruption in other parts of the country, too. Corruption is increasing even in New Delhi hotels. Money is being given to members of Parliament for changing parties. I am opposed to all of this. President's rule should not be extended in Nagaland and the feelings of separatism should not be allowed to nurture. I demand that the government start activities to hold elections so that democracy can be established in Nagaland.

**Chowdhery Hari Singh:** Nagaland is a state that shares its border with China and Burma. Smuggling narcotics was also popular in Nagaland. Many areas have seen progress during president's rule. The young people have changed their attitudes. In the past, basic necessities were not available there. The central government made the right decision at the right time to establish president's rule. Small and large industries are being established there now. The government will hold elections there when the time is right.

**V. Gopalswami:** The central government has used Article 356 once again. It is playing with fire in the northern states. The youth in the northern states are joining the terrorists because the government can use this article at any time. The youth of our country are losing faith in democracy. Therefore, I am totally opposed to using Article 356. As for Nagaland, everything that the central government has written about it is wrong. They must hold elections there immediately and the president's rule must not be extended after 2 October 1992.

**Satya Prakash Maulviya:** The Nagaland assembly has been dismissed for the third time and president's rule has been established. Nagaland is a prosperous state. The government has deprived the people of their democratic rights by establishing president's rule there. This is an abuse of Article 356. The government should take it back and hold elections there. Nagaland should have an appropriately elected assembly by 1 January 1993.

**N. Giri Prasad:** The government wants to deprive the Nagaland citizens of their democratic rights by extending president's rule through a premeditated plan. The situation in the northeastern states and in Punjab, Jammu, and Kashmir is also very disturbing. The minorities in these states are the majority in the nation as a whole. That is why it has become easy for the separatist groups to keep them separated from the mainstream and this is adversely affecting our nation's unity.

The law-and-order situation cannot be improved by extending president's rule. The situation in Kashmir has become very serious. If the government does in Nagaland and other northeastern states what it did in Kashmir to the

Farooq Abdulla government, the country will disintegrated. The government should never abuse Article 356.

Vijol: The way president's rule has been imposed on Nagaland is very unpopular and controversial. The situation here did not call for president's rule. The states should be given as much autonomy as possible to deal with their own affairs. The progress in Nagaland was badly effected when president's rule was imposed here because the allotment for developmental projects in the budget was not used. The law-and-order situation in Nagaland has been deteriorating since the imposition of president's rule.

M. M. Jacob: This is the monsoon season in the northeast. The roads are in very bad condition there. The government cannot hold successful elections in such a situation. The harvest season follows the monsoon season. That is not a good time for elections, either. If no unique situation arises, I will not ask this committee to extend president's rule.

The rebellion in Nagaland is very real. The separatist forces are active in Nagaland in creating anarchy and instability there. It is our moral duty in this situation to reinstate peace and normality in the state. The Naga terrorists have training camps in Bangladesh and Burma. It is our government's first duty to control the rebels in Nagaland. I am willing to talk to the church leaders if it helps to establish peace in Nagaland. We are also trying to make the administration of the state more effective. The public distribution system there has been reorganized. Therefore, before holding elections in Nagaland, we should make sure that political stability has been established there. Still, we will try to hold elections there as soon as possible.

**Nagaland Revising Electoral Rolls, Stand Noted**  
92AS1503A Bombay *THE TIMES OF INDIA* in English  
28 Aug 92 p 7

[Text] Nagaland, has called for intensive revision of rolls with 1 January 1993, as the qualifying date.

President's rule, imposed in the state early this year, has been extended by another six months and now elections are likely to be held around February 1993 along with Meghalaya.

The NSF [Naga students federation] hopes to utilise the period to purge the electoral rolls of "foreign nationals" in a move reminiscent of the efforts of the All Assam Students Union in the late seventies.

The NSF has announced two objectives of the current exercise: Preparation of electoral rolls by deleting the names of all foreign nationals and illegal migrants with 5 December 1963, as the cut-off date, and, issuing of photo-identity cards to all bona fide voters of the state. It has appealed to all political parties, church orders, voluntary organisations, village councils and student organisations to participate in the exercise.

"Until the demands of the Naga students federation are fulfilled, no election shall be allowed to be held in the present state of Nagaland," a statement issued by the NSF has stated.

The stand on the issue was evolved during a meeting of the NSF's "federal assembly" in April and a symposium in July on the subject: "Towards political reformation and preservation of cultural identity." Both the meetings were held at Dimapur on the Assam-Nagaland boundary, a township affected the most by the influx of "foreign nationals."

Among the NSF's categories ineligible for registration as a voter are: Refugees, inner-line permit holders, migrant/temporary labourers, non-Nagas adopting Naga names and any non-Nagas adopted by Nagas.

Tibetans, Bangladeshis and Burmese would be disqualified, the NSF statement has said. All non-Nagas, including recognised tribes like Kacharis, Kukis, Garos, Karbi, who have settled in Nagaland after 1 December 1963, would also not be eligible for inclusion in the voters' list, according to the NSF criteria.

The NSF document cited population figures since 1951 to state that there had been an "unprecedented increase" of 57 percent during the decade 1981-91.

#### **Daily Calls For New Initiative To Solve Kashmir Issue**

*BK3108134692 Delhi THE HINDUSTAN TIMES  
in English 21 Aug 92 p 11*

[Editorial: "Need for Realism"]

[Text] It is always useful for the Foreign Secretaries of India and Pakistan to meet. Even if they achieve limited results, a dialogue always helps in removing some misunderstandings. The sixth round of the talks between Mr. J.N. Dixit and Mr. Shaharyar Khan may not have registered spectacular gains, but the exercise was not in vain. The agreement on renouncing chemical weapons is a step forward; it can be followed up by a similar exercise on biological weapons. Ordinarily, there should have been no need for an agreed code on diplomats, but now it will be safer and less humiliating for Indian diplomats to function in Pakistan. The two countries have also signed agreements on non-violation of air space and exchanging advance information about military exercise. These are small steps, but even these are important.

India was right in again asking Pakistan to stop helping terrorists in Punjab and Kashmir. Since New Delhi is convinced that Islamabad is encouraging terrorists in the two Indian States, and since Pakistan swears that Kashmir is the "core issue" without resolving which relations with India cannot improve, the inevitable conclusion is that the two countries basically stay where they are. Mr. Shaharyar Khan's exuberance about the success of the talks in New Delhi may have to be weighed against the enormous task the two countries may have ahead of them in improving mutual relations.

It needs, however, to be stressed that the Indo-Pak dialogue can be only for the good of the two countries. The divergence of views between the two governments will widen to mutual disadvantage if they stop talking to each other. None need be cynical about some hopes that the New Delhi talks might have created for the fifth meeting between Prime Minister P.V. Narasimha Rao and Nawaz Sharif at the NAM [Nonaligned Movement] summit in Jakarta next month. This is in spite of the fact that the earlier four sessions had been fruitless, and there is no assurance that the Jakarta meeting would be different. The past few years have shown that India and Pakistan have reached a kind of impasse over how to normalise their relations. It is obvious that new initiatives are needed if a breakthrough is to be achieved. Pakistan must not pretend that its attempt to pull out Article VI of the Simla Agreement as the basis for talks is such an initiative. Only a pragmatic approach will produce workable initiatives. The more Pakistan commits its people to a goal which is beyond its physical capacity to reach, the shriller its public exhortations are bound to become. Realism, not a populist approach, is what Pakistan's rulers need to follow on Kashmir and other sub-continental issues.

**BJP Decries Government Kashmir Policy**  
*BK0509163892 Delhi THE HINDUSTAN TIMES  
in English 23 Aug 92 pp 1, 24*

[Report from S. Rajagopalan]

[Text] Bhopal, Aug. 22—Mounting a blistering attack on the government for its "failure" to deal squarely with Pakistan on the Kashmir issue, the Bharatiya Janata Party [BJP] today went on to allege that discussion on "further partition of Jammu and Kashmir" was on with foreigners, both officials and non-officials.

In his opening remarks at the party's national executive meeting, which got under way amid tight security, BJP president Murli Manohar Joshi prominently referred to the reported observations by Mr. James Clad, a Carnegie Endowment Fellow, suggesting that India would be prepared to accept partition of Kashmir as part of proposals to resolve this issue.

Notwithstanding the clarification by the External Affairs Ministry's spokesman in the matter, Dr. Joshi went on to say that the fact of the matter was that "senior Indian officials have indulged in discussions which seriously prejudice India's position in relation to Kashmir."

The BJP, for one, "cannot and will not allow the ceding of any part of Kashmir to Pakistan. The only discussion which India can have with Pakistan on Kashmir is the question of the return of that part of Kashmir which Pakistan occupied in 1947-48," Dr. Joshi stated.

The three-day deliberations of the national executive, which is being attended by all national leaders of the party and Chief Ministers of four BJP-ruled States, will cover a wide range of contemporary issues, including the Ayodhya dispute, securities scam and resurgence of separatist forces, besides the Kashmir issue. Referring to the recent Indo-Pak foreign secretaries level talks, Dr. Joshi said

although none expected the issues between the two countries to be resolved in this round of talks, what distressed one was the failure of the Indian Government to come out with a firm stand on Kashmir.

Pakistan should have been told in clear-cut terms to stop aiding and abetting the terrorists and secessionist activities in India, he said, adding that the Indian side "failed to seek a categorical assurance on this most important aspect of the matter."

But the "intriguing" aspect about the Government's Kashmir policy was the response of the External Affairs Ministry's spokesman on James Clad's proposals to resolve the Kashmir issues made following the latter's visit to India in June and the discussions he held with senior officials.

"The discussions led him (Mr. Clad) to believe that the Government of India is prepared to (I) accept the partition of Kashmir along the present line of control and (II) cede further territory in Kashmir to Pakistan so that China and Pakistan could feel secure about the highway linking the two countries," Dr. Joshi noted. He also referred to Mr. Clad's reported assertion that the Indian Government has "quietly begun to allow foreign specialists access to sensitive military and space installations that were previously closed. Access could be broadened to include nuclear facilities." The BJP president sought to make it clear that he was not satisfied with the official spokesman's clarification that Mr. Clad's assertions "did not reflect any internal thinking of the Government of India nor any aspect of Government policy."

"Further, the spokesman seems to lament the fact that no such proposals had been received by India from Pakistan. It is also astounding that the spokesman has not contradicted Mr. Clad's categorical assessment that India has opened up its military and space installations to foreign inspection," the BJP leader said.

He, however, went on to observe that this need not occasion any surprise as "for more than a year now, every aspect of the Indian economy has been willingly put under foreign scrutiny and influence." It did not seem to matter how highly sensitive an issue was or whether it prejudiced India's security and honour, he added. In the course of his observations, Dr. Joshi also touched upon the urgent need to amend the anti-defection law in the context of the recent developments in the Janata Dal and the interim order of the Lok Sabha Speaker on this subject.

"The moot question is whether the provisions of the law can be or have been interpreted in justifying defections or in preventing them? The role of money bags in engineering defections has brought to the surface the most ugly face of Indian politicians," he said and added that serious efforts are needed to curb pernicious role of black money in Indian polity.

Turning to the BJP itself, Dr. Joshi asserted that the party, at a time when other parties were undergoing fragmentation, stood out as a well-knit and homogeneous organisation of cadres. He urged the national executive to chart out

a programme for organisational elections and also "to keep the people informed about the good work done by the four states where the party is in government."

Later, briefing newsmen on the deliberations, senior vice-president of the party, Dr. Sunder Singh Bhandari, said the executive would set out the party's latest thinking on Ayodhya and other matters in its resolutions to be adopted tomorrow and the day after.

Mr. Bhandari declined to spell out whether the party was in a mood to give further time to the Prime Minister to pursue a negotiated settlement to the Ayodhya dispute. A questioner sought Mr. Bhandari's views on the reported inclination of the Vishwa Hindu Parishad [World Hindu Council] to consider giving the Prime Minister a little more time, if need be.

At today's meeting, the party executive considered the reports by four teams of BJP MPs [members of Parliament] who toured different parts of Jammu and Kashmir on a fact-finding mission recently. Mr. J.P. Mathur and Mr. L.N. Pandey, who headed two of the teams, gave a brief resume of the prevailing situation. Dr. Pandey said the situation in the Doda district of the Jammu region was "explosive." An "undeclared war" was going on with the Pakistan-trained terrorists having entrenched themselves now there. He called for declaring the whole of Doda district as disturbed so as to give all the requisite powers to the security forces to deal with the situation.

While Mr. Mathur's team, which toured the Ladakh region, has called for the formation of an autonomous district council for Leh, the other three teams have suggested the creation of a three regional councils for the Jammu, Ladakh and Kashmir Valley. In the absence of such a set-up, Kashmir Valley was getting all the attention to the utter neglect of Jammu and Ladakh, they said.

The executive also dealt with the communal situation in Kerala "because of the ascendancy of the Islamic Seva Sangh [Islamic organization to protect interests of Indian Muslims]." The State BJP president, Mr. Raman Pillai, submitted a detailed report on the recent clashes.

The party has decided to send a five-member team, headed by general secretary O. Rajagopal, for a detailed study after interactions with all concerned so that the matter could be taken up with the President and the Prime Minister.

#### **Editorial Claims Government Ambivalent on Kashmir**

*92AS1568C New Delhi JANSATTA in Hindi 17 Aug 92 p 5*

[Editorial: "Why Is There No Clear Policy on Kashmir?"]

[Text] The lack of a government policy on Kashmir is causing all of these problems. There will be no use to talk at the secretary level between India and Pakistan. At a time when Pakistan's prime minister is calling Kashmir an integral part of his country, we should tell him clearly that our patience does not mean that we are cowards.

We present below the debate over extending president's rule in Kashmir, that took place after the opposition accused the government [of an ambiguous policy].

Central Home Minister Shankar Rao Chavan himself admitted in the Lok Sabha that the situation in Jammu-Kashmir was very bad, and that holding elections was not possible. He suggested that president's rule should be extended for six more months in that state. A BJP [Bharatiya Janata Dal] Lok Sabha member, Madan Lal Khurana, said that it was time to discuss the Kashmir issue openly and without involving politics. Parliamentary member Ramesh Chennitala expressed concern over the widespread corruption in bureaucracy there.

On 3 September, Home Minister Chavan presented the constitutional proposal to extend president's rule in Kashmir for six more months and admitted that there was a political vacuum in the Valley. The governor of Jammu and Kashmir said in his report that even after the government assured protection for political leaders, political leaders were not successful in activating their supporters. An advisory council composed of representatives from all parties was established, but it has not proved to be very effective.

The Home Minister told the House that the security forces were trying to win the confidence and cooperation of the people in the Valley, but were not successful. The governor admitted that demarcation work in the state was not finished. It should be remembered that the state is increasing 11 seats in its assembly. The BJP member Madan Lal Khurana said during the debate that Kashmir is fully controlled by terrorists. The newspapers in Kashmir carry government advertisements and the news as desired by the terrorists. At present, terrorist activities are spreading even in places like Doda, Madarwaha, Rajouri, and Poonch. The caravan of the central communication minister was bombed and innocent people have been killed.

Mr. Khurana said that he had information from reliable sources that the terrorists want to move their training camps from Pakistan to the Valley. In the last few years, terrorists have blown up 140 bridges, which have not been reconstructed. The Border Patrol Force and the army cannot go there because repairs have not been done. Government engineers write up false bills for construction work and cash the payments made. The terrorists are managing their program using the Indian Government's money. The government there cannot collect any taxes at all.

He said that when government employees run away from the Valley, their positions are filled by temporary appointees who do not have even the minimum qualifications. In Srinagar, Sohan Lal's daughter was raped in front of the whole family, and later the whole family along with the daughter was murdered. Referring to the statistics from the 1971 war, Mr. Khurana said that only 37 soldiers were killed on the Kashmir front. In this struggle, 337 National Guardsmen have been killed. He accused the government of not having a clear policy on Kashmir.

"The situation in Kashmir is very bad and our prime minister, home minister, and other cabinet members just issued various statements while sitting in Delhi. The governor says one thing and the visiting ministers say something else. Some time they say that elections are being held and then they announce that we have to wait for six more months because the situation is not right for elections." Mr. Khurana said.

Accusing the government of treating Jammu like a step-child, the BJP parliamentary member said that 5 billion rupees [Rs] were spent on hydroelectric projects in Jammu and Kashmir during the 7th Five-Year Plan. Of this, 4.6 billion Rs were spent in Kashmir and only 400 million Rs were invested in Jammu. About 1.5 billion Rs are being spent for developing tourism even when there has been virtually no tourist to the Valley during the last three years. Every year, about 4 million pilgrims visit Vaishnav Devi temple in Jammu, and only 10 percent of the tourism development budget is spent there.

While providing proof of educational negligence in Jammu, Mr. Madan Lal Khurana said that technical and engineering colleges are in the Valley but the students from Jammu cannot attend them. The agricultural college and the university is also in Srinagar. All these facts make people think that even though they are loyal to the nation, they are discriminated against. Expressing concern over not having a cell of the CBI [Central Bureau of Investigations] in Kashmir, the BJP Lok Sabha member said that crimes are not properly investigated because of this deficiency. Over 300 cases of terrorism have been registered, only 10 of which were assigned to the CBI, only four of which were investigated. These cases involved Rubiya, Lasa Kaul, Inspector Ishwar Singh, and the vice chancellor of Jammu-Kashmir University.

He suggested that the terrorists must be dealt with very strictly and said that cabinet level talks with Pakistan must be held to tell it to close training camps in Pakistan. He said that before state elections are held, municipal and districts elections should be held. The BJP legislator suggested that regional administrative units in Jammu, Ladakh, and the Kashmir Valley should be organized so that they can implement developmental projects there.

Mr. Ramesh Chennitala (Congress-I) said the security forces in the Valley were doing a good job. The people have begun to realize that the gun culture is very dangerous, and the people are beginning to oppose the militants. "We are talking about political action here, but no political party has the courage to confront the terrorists." He asked the home minister how valid were the complaints about the misdeeds of the security forces reported in the Valley and what action was taken in this context.

The Congress (I) legislator said that there would no benefit to cabinet-level talks between Pakistan and India when the Pakistani prime minister is declaring Kashmir an integral part of Pakistan and is threatening India.

#### Editorial Views Continuous Disintegration of Janata Dal

92AS1480B *Varnasi AJ in Hindi* 14 Aug 92 p 4

[Editorial: "Criticize Thyself"]

[Text] The disintegration in the Janata Dal is the natural outcome of internal strife and lack of discipline. The Janata Dal was established in a hurry. Even though opposition parties had been trying for a long time to form a Janata Dal type coalition, the Bharatiya Janata Party (BJP) did not show any interest. It did not like the merger of the Bharatiya Jana Sangh into the old Janata Dal. When they did not succeed in making a party, they suggested forming a front. This suggestion was still being considered when the 1989 elections were held. The National Front, the Left Front, and the BJP took part in this election, jointly in some places, and in opposition in other places. The Janata Dal people who were elected because of the coalition with the National Front were the same as those who deserted a political party for personal political ambitions. The result was exactly what was expected. The National Front government fell in a few months because of the continuing desertion, and the Janata Party (S) government also fell. The Congress (I) benefited from this development and was successful in forming its government in several states.

The present disintegration in the Janata Dal is also the result of internal discord. Mr. Ajit Singh has been waiting for a long time to get even with the Janata Dal. It is not valid or logical to believe that Mr. Ajit Singh is a benefactor of the Congress (I) and is working to help it at its behest. Mr. Ajit Singh's resolution is clear. He postulates that the Janata Dal is not representing the social groups whose interests are being considered. The same group of people that had been exploiting and sapping blood from these social groups for centuries are raising voices in their support. Obviously, this points to leaders like V.P. Singh. The issues that Mr. Ajit Singh has raised naturally were meaningful to the Janata Dal legislators, and they may have seen the reality. The need for evaluating the leaders was felt again because of the improper methods used to expell some Janata Dal legislators. This is not unusual either. V.P. Singh recommended action be taken under the "Party Changing Law" against the four already identified members and the 12 other Janata Dal Parliament members who have requested the Lok Sabha president give them new affiliation.

The Janata Dal has decided to start a nationwide campaign against internal dissension. The main goal of this campaign is to tell the people that the Congress (I) is using money to sow the seeds of discord among the opposition parties. The goal of this nationwide campaign is to expose this specific Congress (I) policy. When the Janata Dal confronts the people with this message, some questions will be raised. For example, why wasn't the Congress (I) successful in dividing the BJP Parliament Members? Second, why wasn't the Congress (I) successful in breaking up the members of the DMK [Dravida Munnetra Kazhagam], Left Front, and the Akali Dal? As for the use of money, this system depends on the economic principle that only things that are for sale can be bought and sold.

Not every item in a store is for sale. If we believe in this principle then it exposes the Janata Dal even more. This would damage even the respect it has remaining. Blaming such a large number of legislators for changing their party affiliations for money would be called baseless. This would not only tarnish the Janata Dal, but also disgrace India abroad, and weaken our democracy. Instead of starting this campaign, the Janata Dal should first analyze itself. This would help the party to stabilize and get better.

### Janata Dal: Leadership, Viability Probed

92AS1437A Bangalore DECCAN HERALD in English  
10 Aug 92 p 8

[Article: "Irresponsible Leaders"]

[Text] If, going by the unseemly needless controversy over the leadership of its legislature wing, the Janata Dal [JD] in Karnataka appears to be seized of a suicidal wish, the blame should mainly go to the top leaders of the party. The merits of the demand for a change in the party's leadership in the State Assembly apart, the entire ugly episode which is threatening to split the party vertically could have been avoided had not the partymen fought shy of resolving the tangle by democratic means. However, the Dal legislators chose to adopt a unanimous resolution authorising former Chief Minister Ramakrishna Hegde either to himself don the mantle of the leadership in the State Assembly or suggest his nominee for the job. The second part of the resolution was more polemical than the first, but Mr. Hegde, who declined the leadership since the issue of his disqualification from membership of the House is still before the court, chose to offer the leadership to his crony, former Urban Development Minister R.V. Deshpande. This has expectedly stirred a hornets' nest since Mr. Hegde's writ no longer runs in the party as it used to once. The stark political reality is that Mr. Hegde is now a spent force. Though any fair objective appraisal cannot gloss over his contribution between 1983 and 1985 by marshalling all his acumen to sustain a minority Government and thus making the fledgling party vibrant, it is noteworthy that his own blunders led the party to political disaster in the subsequent elections. If his image took several hard knocks with his defeat in the 1991 Lok Sabha elections from the Bagalkot parliamentary constituency, his controversial advocacy of a pact between the Janata Dal and the Congress (I) opened him to the charge of espousing political permissiveness.

If leaders like Mr. Hegde and SJP [expansion not given] leader H. D. Deve Gowda feel more at home in the Congress (I) nothing should deter them from pursuing that course to its logical end. But what cannot be countenanced is their tendency to bide their time to accomplish their desire and in the process wreck the credibility and political viability of the Janata Dal which is well qualified to play the role of the centrist alternative to the Congress (I) provided the second-rung leaders—who want to merge the Dal and the SJP—toil hard to make amends for the misdeeds of the tired and failed leadership. These leaders, Mr. M. P. Prakash and Mr. Jeevaraj Alva, in fact have a big

stake in the survival of the Dal as an alternative to the Congress (I) since their own future is intertwined with that of the Dal right now.

### Congress (I) Said Trying To Topple Bihar Government

92AS1568B New Delhi JANSATTA in Hindi  
19 Aug 92 pp 1,6

[News Report: "Congress (I) Engaged in Ousting Lalu Government"]

[Text] New Delhi, 18 August. After dividing the Janata Dal at the Center, the Congress (I) is busy trying to get Lalu Yadav's government dismissed. Dr. Jagannath Misra, president of the Congress (I) Party and Bihar's opposition leader, sent a letter to President Shankar Dayal Sharma today. In this letter, he has referred to Lalu government's activities and the failure of the constitutional government here, and has asked that the government utilize Constitutional Articles 355 and 356 in Bihar. This means dismissal of the 29-month-old government and president's rule here.

The accusation of party-changing levied on the central government by the Janata Dal can be imposed on the state government, headed by the Janata Dal. They mentioned in this letter that Chief Minister Lalu Yadav has forced members of the BJP [Bharatiya Janata Party], IPF [Indian People's Front], and the Jharkhand Mukti Morcha [JMM] to join his minority government. In November 1990, the chief minister forced 13 BJP legislators to sign allegiance. He controlled the Vidhan Sabha speaker and forced him to declare those members "nonaligned." Some of these non-aligned members were included in the Janata Dal and two returned to the BJP. Two IPF legislators also were added to the Janata Dal using similar tactics. The chief minister played a similar game with the Jharkhand Mukti Morcha (JMM) by paying money, using force, or providing protection. Once again, the Vidhan Sabha speaker obediently gave permission by calling a nonaligned legislator the leader of the JMM. The chief minister and the speaker of the Vidhan Sabha have totally ignored the party-changing laws.

There are 325 members in the Bihar legislature. Of these, 127 belong to the Janata Dal. Of the 19 JMM legislators, 10 have withdrawn their endorsements from the state government. The 54 Janata Dal legislators wrote to the governor two months ago that they have confidence in Lalu Yadav. In this situation, Lalu Yadav has to depend on left-wing support. According to the letter, the left-wing groups have spread anarchy in the name of land reform. They expect a lot of violence. Since Lalu Yadav depends on them, he is keeping quiet about it.

The Janata Dal has challenged the 54 legislators' application; however, Dr. Misra is adamant. He said that they are afraid to speak out because of fear of Lalu Yadav and his hooligan activities. He said that the governor can meet these legislators individually to learn about the situation under which they signed their names, or Lalu Yadav could have them write to the governor. It was learned that the governor also has sent a report to the Center.

The 11 Janata Dal members of the Lok Sabha have challenged Dr. Misra over his letter. They said that he must prove the anti-Lalu stand of the 54 legislators within four days or apologize to the nation for this deceptive statement. They further said that Dr. Misra was attacking the "social revolution" taking place under Lalu Yadav's leadership. The Janata Dal cannot become a victim of this play of wealth, power, and dirty politics in Bihar. They advised the Center not to believe Dr. Misra's ploys. This statement was signed by Chhedi Paswan, Lal Babu Rai, Ranjan Prasad Yadav, Mahendra Baitha, Faizul Azam, Girija Devi, and Mohammad Ali Ashraf Fatimi among others.

Dr. Misra wrote that he has decided to introduce a no-confidence motion against Lalu Yadav's minority government after the monsoon session. However, the chief minister suddenly had the session prorogated through the speaker of the assembly. Dr. Misra has presented several examples of constitutional failure in Bihar. According to him, salaries of government employees were being paid from developmental funds, Harijan were being murdered like flies, and massacres were being committed over caste problems. The extremist followers of the Janata Dal were ravaging the minorities in Chapra, Hazaribagh, and Palamu. They are kidnapping people not only for ransom but also for political reasons. The situation is so bad that the chief minister has mentioned the fear of shooting even in the assembly hall. Even the chief minister is worried about his life and two legislators have expressed fear of being assassinated. All this is documented in the Vidhan Sabha proceedings.

According to Dr. Misra, of the 127 Janata Dal legislators, 71 are cabinet members. By making more than 50 legislators heads of various councils and boards, they grant all of the privileges reserved for cabinet members. All expert committees' recommendations were ignored, and to keep the supporting legislators happy, 5 billion rupees were squandered to make various districts, subdivisions, and boroughs.

Two veteran IAS [Indian Administrative Service] officers, A.U. Sharma and Abhas Kumar Chatterji, have resigned because of the daily political interference in their duties. Mr. Ramanujam, health commissioner, was physically beaten by a Janata Dal legislator (who is in now in the Ajit camp).

#### Tamil Nadu: Political Campaigning Said Intensifying

92AS1477B Madras DINAMANI in Tamil 22 Aug 92 p 1

[Article: "Political Campaigning Gaining Momentum in Tamil Nadu"]

[Text] In Tamil Nadu, the All-India Anna Dravida Munnetra Kazhagam [AIADMK] party and the Dravida Munnetra Kazhagam [DMK] party have embarked on an intensified campaign of accusations.

It was learned that Chief Minister Jayalalitha has impressed on her party members that they should explain to the people in every nook and corner in the state why an

enquiry commission was set up to examine the wrong doings of persons—including the DMK chief, Karunandhi—the charges against them, and the irregularities committed during the DMK regime.

The AIADMK leadership feels it is essential that public meetings be organized throughout the state to give suitable responses to the charges by the DMK against the chief minister and her AIADMK regime.

The chief minister emphasized that on no account could there be any complacency in carrying out these propaganda activities, according to party circles.

At a meeting held on Thursday with ministers, party district leaders, secretaries, headquarters officials, and also at a meeting on Friday with her trusted members of the Jayalalitha general counsel, the chief minister reiterated these views.

In the meantime, the DMK is considering a plan to organize a series of public meetings on its own and also with other friendly parties to explain to the people that the enquiry commission was set up only for ulterior political motives. This plan is likely to be considered at the meeting of the party executive committee on Saturday after which the decision may be announced, it was learned.

At a series of public meetings to be organized throughout the state, the DMK leadership plans to vigorously expose the shortcomings of the AIADMK regime and explain their continued publicizing of the charges against the ruling party.

While these two parties are intensifying their propaganda campaigns against each other, the Tamil Nadu Indira Congress party on the other hand, has been continuously promoting political infighting within itself.

The Indira Congress party is divided into two groups, one supporting Vazhapadi Ramamurthy, and the other supporting Moopanar. It has become a regular practice for each of these groups to hold celebrations or meetings separately; at these meetings a regular feature is for each group to attack the activities of the other.

#### Sikh Leader Interviewed on Separatist Demands

92AS1535B Lahore MUSAWAT in Urdu 20 Aug 92 p 5

[Sardar Harat Pal Singh, Vice Chairman of Dal Khalsa International Movement, interviewed by Riaz Shakir and Tayeba Bukhari: "What if India Breaks Up into Several Pieces"]

[Text] "We ask the Muslims to forgive the mistake we made in 1947. Because of a Hindu conspiracy and the wrong decision of the Sikh leadership, we committed atrocities against the Muslims in 1947. Today we are ashamed of the wrong decision of our leaders and ask the Pakistanis to forgive us. India is the region's worst hoodlum. Countries that support human rights should rein in India. Sikh women in India and Muslim women in Kashmir are being dishonored; any voice raised in support of freedom is immediately silenced forever. But Kashmir and Khalistan will both achieve freedom. We fully support

the Kashmiri Muslims who are trying to liberate themselves from slavery to India. We expect the Government of Pakistan to support Khalistan's freedom. Khalistan will be formed and will consist of old Punjab and territories with Sikh majority populations. Of course, India will be divided. No Problem. Armed struggle for the liberation of Khalistan will begin." These views were expressed by Sardar Harat Pal Singh, vice chairman of Dal Khalsa International Movement, in a special interview with MUSAWAT upon his arrival in Lahore from the United States. Sardar Harat Pal Singh moved from India to the United States in 1982.

Sardar Harat Pal Singh said, "We want freedom; in India we are living a life of slavery. India pretends to carry the banner of human rights and secularism on the world stage, but the Sikhs are living a life of slavery in India. The Sikhs suffer the worst kind of cruelty at the hands of the Indian Government, which openly violates human rights. The Indian Government has so far killed more than 80,000 Sikh youths merely because they raised their voices against slavery." Harat Pal Singh continued, "The Indian Government is confiscating Sikh properties and making life untenable for the Sikhs; and it has become apparent that the Indian Government is plotting to destroy the Sikh nation in India. Incidents of the total dishonoring of Sikh women are increasing daily. While the Indian Government commits the worst kinds of atrocities on Muslims in order to silence the voices raised against slavery in Kashmir, it treats the Sikhs the same way in India. In 1981, the assassination of Prime Minister Indira Gandhi was used as an excuse to kill seven or eight thousand Sikhs, including women and children. Women were dishonored." In answer to a question, Harat Pal Singh said, "In order to discredit Muslims and Sikhs, the Indian Government has created organizations called the Black Cats, which employ trained and armed young men whose sole duty is to steal, kill, abduct, and loot in different parts of the country. Muslims and Sikhs are then held responsible for these incidents and discredited on the international level." Harat Pal Singh said, "Muslims and Sikhs are not involved in incidents of murder, looting, and kidnapping, nor does any Sikh organization working for Khalsa have a hand in these crimes. The Indian Government is spreading false propaganda and lies in order to discredit the Khalsa freedom movement on the international level." He continued, "Pakistan is not involved in the situation in East Punjab and occupied Kashmir nor is Pakistan training the Sikhs. The Indian Government is spreading this propaganda against Pakistan in order to crush the freedom movements in Kashmir and Khalistan." He said, "The Sikh people of India want the support of Pakistan, Khalistan's neighboring country; they want Pakistan to raise its voice in support of human rights and in opposition to the atrocities committed against the Sikhs by the Indian Government." In answer to a question, Harat Pal Singh said, "The Sikhs made a serious mistake in 1947, at the time of Pakistan's creation, when they joined with the Hindus and committed atrocities against the Muslims. The Sikh people are today ashamed of their mistake. In 1947, the Hindus conspired to win over the Sikhs to their side and the Sikh leaders at that time were

deceived by Hindu machinations. As a result, atrocities were committed against the Muslims during the partition of India." He said, "The Sikh nation asks forgiveness of the Muslims for the Sikhs' mistake, but the Sikhs will never commit the same mistake again; they are now educated and well acquainted with the machinations of the Hindu money lenders. The Sikhs now know what is in their own best interests, and no Sikh leader will be able to sell them out or trade on their emotions." In answer to a question, Harat Singh said, "Tari Akal Takht is the Sikh's supreme political authority and the Sikh people are carrying out their struggle for freedom under its orders." In answer to a question regarding the Khalsa movement internationally, Sardar Harat Pal Singh said, "In those parts of the world where Sikhs are living, voices are being raised for Khalistan's freedom. In the United States, Dr. Gurumat Singh, chairman of the Sikh Council of Khalistan, is voicing the aspirations of the Khalistan movement. He has brought to the attention of the U.S. Congress the importance of Khalistan's freedom and the atrocities being committed against the Sikhs in India. Other Sikh organizations are also making important contributions in this area and, as a result of their efforts, the majority of the members of the U.S. Congress have accepted the fact that, like the other newly liberated countries of the world, Khalistan also should become free. It was because of the efforts of the Sikh people that the United States suspended aid to India." In answer to a question, Sardar Harat Pal Singh said, "The day of Khalistan's liberation is drawing near and soon the Sikh nation in India will be free." He continued, "The recent changes in the world have made it clear that no country will be able to usurp another's freedom. The world's superpower was forced to free its occupied countries, and India as well will have to set Khalistan free. We are certain that in the next four or five years, Khalistan will appear as a free country on the world map." In answer to a question regarding Khalistan's geographical boundaries, he said, "The high leadership of the Sikh nation will decide the geographical boundaries of Khalistan; however, Khalistan will include old Punjab and all those Indian territories where the Sikhs are in the majority." When it was pointed out that old Punjab included some areas which are now part of Pakistan, Harat Pal Singh said, "By old Punjab we mean that portion of Punjab which is now part of India." He added, "We will never give up East Punjab; however, Sikhs are in the majority in Himachal Pradesh, Haryana, Delhi, and Chandigarh as well."

In answer to a question, Harat Pal Singh said, "Five or six Sikh organizations are engaged in the struggle for Khalistan's freedom, including Babbar Khalsa International, Sikh Students Federation, Panthic Committees and their associated organizations, and Dal Khalsa International. Among these, Dal Khalsa is the oldest and the founding organization." In answer to the question as to why no movement was started to protest the assassination of the leader of Mir Khalsa, Harat Pal Singh said, "The Indian Government has imposed severe restrictions on any kind of meetings or processions that protest the assassination of the leader of Babbar Khalsa, and anyone

disobeying the order is to be shot to death." In regard to the Indian Government's high handed tactics against the Sikhs, he said, "It appears that Narasimha Rao's government has decided to wipe out the Sikh nation. Sikh youths as well as old men, women, and children are being murdered openly. Sikh women are being totally dishonored as are the Muslim women in Kashmir." He said, "Because the international media is not allowed to enter East Punjab, the world does not know the real situation. If the international media were to be allowed entry into East Punjab and Kashmir, India would be unmasked and the horrible nature of the Indian Government would be revealed to the world." In answer to a question he said, "The Sikhs support the lonely struggle of the Muslims in Kashmir. If the Indian Government were to arrange in Kashmir the charade of the same kind of so-called elections that were held in East Punjab, the Sikh people would express their strong opposition." He said, "The Sikh people did not celebrate Freedom Day in India on 15 August because the Sikhs still consider themselves to be slaves; they will only celebrate Khalistan's Freedom Day." In answer to a question, he said, "Pundit Jawaharlal Nehru promised to liberate East Punjab, but succeeding Indian governments have gone back on this promise." He said in conclusion, "So what if India is divided into several pieces.... No problem!"

#### Communist Duplicity in Quit India Movement Noted

92AS1492A Bombay *THE TIMES OF INDIA* in English  
17 Aug 92 p 12

[Article by N.R. Mohanty; quotation marks as published]

[Text] The President's references to communists in laudatory terms in his address to the joint session of both houses of parliament on the occasion of the commemoration of the 50th anniversary of Quit India movement has surprisingly not received as much attention as it deserved. After all, the communist betrayal of the nationalist cause in 1942 had so far been an accepted fact of history. Any new evidence to the contrary, of necessity, calls for a reappraisal of events and authentication of history. This is all the more imperative when the source of the reappraisal is none other than the President himself.

According to the President, perceptive political analysts realised that the belief that sections of the Indian people favoured continuance of foreign rule was a delusion. After large-scale strikes in the mills in Kanpur, Jamshedpur and Ahmadabad, a despatch from Delhi dated September 5, 1942, to the Secretary of State in London reported about the Communist Party of India: the behaviour of many of its members proves what has always been clear, namely that it is composed of anti-British revolutionaries.

Without going into the veracity or the context of this reference, let us examine how the communists themselves appraised their role in the Quit India movement. The documents now available with the National Archives provide a wealth of information in this regard.

In a 10-page 'Memorandum On Communists' policy and plan of work submitted to the British government on April 23, 1942, the CPI [Communist Party of India] had clearly offered a deal to the British government: We should consider this war a people's war.... Today all the Indian communists are burning with an ardent desire to do all they can to co-operate with the existing war efforts under the present government....

#### Government Acceptance

If the government thinks our co-operation in war efforts is worth seeking and it desires further elucidation of our policy on the plan of work, all that it has to do is to withdraw the warrants and any other existing government order against the following: P.C. Joshi, G. Adhikari, P. Sundarayya, Somanath Lahiri, E.M.S. Namboodiripad and D.S. Vaidya.

Documents show that the British government readily accepted the terms of the deal. To begin with, the arrest warrants issued against P.C. Joshi, the party general secretary, were cancelled. Joshi held secret meetings with a senior official of the Intelligence Bureau, Ghulam Ahmed, on May 12, 1942. Two days after, he met Sir Reginald Maxwell, the home member, and the details were worked out. All the important leaders of the Communist Party were released from jail in less than two months. The ban on the Communist Party was lifted in July 1942.

The communists also kept their part of the bargain. They actively mobilised to disrupt the Quit India movement. On March 15, P.C. Joshi sent to Sir Reginald a detailed performance report, running into 120 pages. Some relevant paragraphs suggested a self-congratulatory tone: how effective our propaganda and work can be seen from that a week to one month after August 9, differing from province to province, the Congress Socialists and Forward Bloc elements, who had grabbed the Congress machine after the arrest of the leaders began, in all illegal handbills throughout the country, their main concentration of fire against us, holding us responsible for the collapse of the 'struggle.'

#### Performance Reports

Then came the detailed performance reports town-wise: As regards Kanpur that the President referred to, the report had this to say: Our biggest achievement was to prevent continuous strikes at Cawnpore.... The example of Cawnpore is unique in India. Here was the industrial centre where the working class was most nationalist and Congress-minded. But the (Communist) party was able to bring hold-up of production to an end within three days....

As regards Jamshedpur, the report bemoaned that, because of the delay by the government in the release of the party activists, not a single Communist was left there to combat the pro-struggle elements and to rally the workers of this key war industry to continue production.

Despite such incontrovertible evidence at hand, that the President has sought to discount the collaboration thesis on the strength of what can at best be called an isolated reference, lends credence to the view that it was a mere

'thank you' gesture from the President, whose smooth election was greatly facilitated by the unconditional support of the Communist parties. The irony of it all is that in two front-paged articles in the latest issue of the party journal PEOPLE'S DEMOCRACY (August 9), the CPM [Communist Party of India-Marxist] leaders Messrs. Harkishan Singh Surjeet and E.M.S. Namboodiripad have reiterated that they stand by the correctness of the party's decision to collaborate with the British government during the Quit India movement.

### Manjit Singh Forms New Political Party

92AS1510A Bombay *THE TIMES OF INDIA* in English  
26 Aug 92 p 13

[Article: "Manjit Floats Party, Backs Bhindranwale"; italicized words as published]

[Text] Amritsar, August 25. A new political party, Alkali Dal (Manjit), was floated today to promote the thinking of Sant Jarnail Singh Bhindranwale and strive for an "independent Khalsa state" with democratic means.

Mr. Manjit Singh, who was president of the AISSF (M) [All India Sikh Students' Federation], was unanimously nominated president of the new party at a conference of the federation workers held at Shaheedi Gurdwara here.

The AISSF (M), which had been operating as a political front, was declared an apolitical body which would disseminate ideas propounded by Bhindranwale and Amrik Singh, a close associate of Bhindranwale who was also killed during Operation Bluestar. Mr. Jasbir Singh Ghuman was nominated president of the AISSF.

As Mr. Manjit Singh assumed charge of the new post, he was offered *baropas*, among others, by the wife of Bhindranwale, Mrs. Pritam Kaur, the wife of Amrik Singh and the mother of Harjinder Singh Jinda, convicted in the Gen. Vaidya murder case. The gathering raised slogans extolling the sacrifices of Bhindranwale and others who were killed during Operation Bluestar.

By a resolution, the dreaded militant, Gurbachan Singh Manochahal, chief of the Bhindranwale Tiger Force, was nominated Jathedar of the Akal Takht.

Addressing the meeting, Mr. Manjit Singh alleged that atrocities were being perpetrated on the Sikh masses in an unprecedented manner and the situation was almost the same as it prevailed before Operation Bluestar.

He ridiculed the claims of the chief minister, Mr. Beant Singh, and the state DGP [Director General of Police], Mr. K.P.S. Gill, that militancy would be wiped out of the state by the end of September and said that making sacrifices was a way of life with the Sikhs so it was wrong to presume that they could be crushed.

The new Akali Dal, he said, had been formed in deference to the wishes of Bhindranwale who wanted a political front to be opened to air the views of the struggling Sikhs. The AISSF also felt that along with the armed struggle, a

political forum should be opened to utilise the services of student leaders who, beyond a certain age, could not contribute much.

He held the Congress responsible for bringing Punjab to such a sorry state where bloodshed had become an order of the day.

### Punjab Calls 1984 Power Accord Unacceptable

92AS1456A Madras *THE HINDU* in English  
14 Aug 92 p 1

[Quotation marks as published]

[Text] Chandigarh, Aug 13—The Punjab Government has described as 'totally unacceptable' the agreement reached by it with Haryana and Rajasthan in 1984 over sharing of power generated from the Anandpur Sahib and Mukerian hydro-electricity projects, the Thein Dam project, the Upper Bari Doab Canal II project and the Shahpur Kandi hydel-electricity scheme.

Stating this at a press conference here today, Mr. Harcharan Singh Brar, Irrigation and Power Minister, said that the agreement had been signed by Punjab under duress when it was under President's Rule. Therefore, such an agreement was not binding. 'It is an unjust agreement and we reject it outright.'

He said such a one-sided agreement had possibly not been signed by any State in India or the rest of the world. Even Pakistan, he said, had not objected to generation of power from the Jhelum through the Salal project.

The Punjab Government has already rejected all agreements reached by it with Haryana and Rajasthan on sharing of its river waters and sought a settlement of the issue on the basis of the Punjab Reorganisation Act, 1966.

### PTI, UNI report

The agreement, which authorised the Centre to obtain the Supreme Court's opinion on sharing of power from the five power projects in Punjab, was signed on May 10, 1984, by the then Punjab Governor, Mr. B.D. Pandey, Haryana Chief Minister, Mr. Bhajan Lal, Rajasthan Chief Minister, Mr. S.C. Mathur and the Union Minister for Energy, Mr. P. Shiv Shanker.

Mr. Brar said even if the Centre referred the matter to the Supreme Court, his Government would oppose it. "I have not yet thought of taking any legal opinion in this regard."

### 'No Provocation'

Asked what the immediate provocation was for the State Government to take up the issue when the agreement was not being implemented at all, he said there was no provocation. The State Government only wanted to undo the agreement, which was not based on any logic.

Commenting on the demand made at the Power Ministers' meeting in Delhi for a uniform power tariff structure in the country, he said it was not easy to raise tariff five-fold, for example in the farm sector in Punjab, at one go. Neither was it desirable, he added.—PTI, UNI

**Bhopal Gas Tragedy: Revised Guidelines Sought**  
92AS1437B Bangalore DECCAN HERALD in English  
10 Aug 92 p 8

[Article by A.V.S. Namboodiri: "Relief for Bhopal Gas Tragedy Victims; Guidelines Need Revision"; figures as published]

[Text] The plain and simple lesson that emerges out of over seven years of struggle by the victims of the Bhopal gas disaster is that the poor have no access to justice even in a relatively sympathetic environment.

Public opinion both in India and outside has always lent strong support to the claims of the victims for monetary compensation and other reliefs. There are not many who would absolve Union Carbide of moral and criminal responsibility for the accident. But even now not a single victim has got compensation for their suffering.

The criminal proceedings initiated against Union Carbide after the October 1991 Supreme Court judgment in the compensation case are still on square one. There are strong reasons to believe that the negative trends on both fronts are set to continue.

**Letdown**

The judicial and governmental letdown of the victims of the disaster is at the heart of the present sorry situation. If the judiciary did not go to the extent it should have to ensure justice to the sufferers, the governments at the Centre and in Bhopal abdicated their responsibility to assess the damage, identify all victims and implement without delay at least those measures on which there was agreement between all parties involved in the affair.

The most important issue that has not yet been resolved is the distribution of compensation for the victims. The long-awaited guidelines issued by the Centre for the payment of compensation have turned out to be inadequate, ambiguous and full of anomalies.

The State Government had been claiming that the Centre had not issued the guidelines but had in fact sat upon them for two months before making them public last month.

The State Government had apparently made some efforts to get the guidelines amended but failed and finally appealed to the press to help it in the matter of reaching justice to the victims.

The issue of a fair and accurate assessment of injuries sustained by the victims was not resolved by either of the two Supreme Court judgments in the gas leak case. The first court-ordered judgment of 1989 was patently unfair to the victims in its arbitrary fixation of the compensation amount and the absolution of Union Carbide from criminal liability.

The court's 1981 order on the review petitions restored the right to resume criminal proceedings against the multi-national but did not reopen the issue of the quantum of compensatory payment or give adequate directions on damage assessment, identification of victims and norms of disbursement. The questions left unanswered by the court

have been inadequately addressed by the Government and so Bhopal's misery remains unredeemed even now.

When the Government attempted to do what the court did not and framed the guidelines for compensation payment after working on them for months (years, if the period before the 1991 judgment is taken into consideration), it did a bad job of it. The absence of guidelines had severely hampered the functioning of the claims courts which were set up early this year.

Only 17 out of the 56 courts have started functioning till now. By the end of the month the number might go up to 25. The courts that are operational have completed hearings in 300 cases out of the lakhs they are supposed to decide.

These 300 cases relate to compensation in cases of death but even on them no final orders on disbursement have been passed. All this underlines a shameful fact: not a single case has been decided after seven years of the occurrence of the tragedy. The victims will get Rupees 200 per month as interim relief till April 1993 and all cases have to be settled before that date.

In the light of the Government's past performance, no one can expect this to happen. The funds—about Rupees 1,400 cr including interest on the corpus of Rupees 750 cr deposited by Union Carbide in March 1989—are now under the Supreme Court's control.

**Transfer**

The Union Government has promised to transfer the entire compensation amount to the Madhya Pradesh Government during the course of this week and the latter hopes to start disbursement very soon.

With the prospect of payment of compensation at least to some victims not too far, the question of improving the guidelines needs to be addressed immediately. The Madhya Pradesh Government says that the Centre has promised not to adopt a rigid attitude in the matter and to remove any discrepancy after consultation with the Welfare Commissioner.

But the guidelines might need more than cosmetic changes if they are to provide justice to the victims even within the constraints of the situation the court and the Government have created for them.

Some of the premises on which the guidelines are based are faulty. The compensation offered is not proportional to the victims' suffering. (Most of them will not receive more than Rupees 50,000). It has also been pointed out that they are not based on the apex court's 1989 indicative figures which were themselves based on the crude calculations of the Madhya Pradesh High Court and the Government.

The guidelines are individual-specific and presuppose the existence of a separate and comprehensive medical record for each of the claimants. But most of the victims will not be entitled to any compensation if this rule is followed.

**Surveys**

Within a few hours of the occurrence of the accident, doctors in Bhopal had stopped recording complaints of exposure to the toxic gas. Later the Madhya Pradesh Government and the Indian Council of Medical Research did separate surveys which were neither exhaustive nor adequate.

About 50 percent of the 6,39,000 claimants have not been medically examined so far. According to the State Government's survey, 43 percent of those examined are free of any injury, 1.73 lakh sustained temporary injuries and only 18,936 people have permanent injuries. Going by its records, only 45 people, will be entitled to the maximum compensation amount of Rupees 2 to 4 lakh.

According to the representatives of some gas leakage victims' associations, 2.78 lakh victims would not get any compensation as they had not been medically examined. Another one lakh, who could not file the claims and were not medically examined, would also have to go without any payment.

It may not have been possible to medically examine and identify all victims in the conditions that prevailed in Bhopal in the wake of the tragedy (or even now, considering the large numbers involved and the change in the conditions) but such inability should not lead to the denial of rightful compensation to genuine victims.

Alternative proposals have been made to serve as basis for entitlement to compensation, like the dose-related geographical approach that relates compensation to the severity of the injury. The quantum of compensation will depend on the location of the victim's residence vis-a-vis the Union Carbide plant.

Though this might at first seem to be too generalised a criterion, in the absence of individual medical records, it can perhaps serve as a good principle to eliminate the possibility of injustice. The advocates of this approach claim that it does not make unreasonable demands on the individual victim and weeds out bogus claims.

It can also be qualified to take into account past injury, present medical status and future needs. A thorough review of the present norms and a study of alternative proposals can lead to a fresh basis on which claims can be settled without wholesale hijack of justice.

Though the Supreme Court had conceived of its settlement as an open-ended one with the possibility of cases arising in the future, the guidelines do not specify whether the compensation is for past injury, present disability or future medical needs. They do not even define the different degrees of injury for which different amounts of compensation are offered. There is also confusion over the value of other factors like the victims' belongings, earning capacity and number of dependants.

The amount of compensation needs to be increased for all categories of victims. The highest amount that can be paid now under the present guidelines is less than the normal compensation paid in the case of an air crash. The Supreme Court had given the Claims Commissioner much freedom in the determination of damages.

Last months' Bhopal Gas Disaster (Processing of Claims) Amendment Bill, passed by the Lok Sabha, has also given more administrative powers to Welfare Commissioners. But the urgent need now is for concrete action based on sound and realistic principles which will alleviate the victims' suffering and thus do some justice to them.

**Urgent Task**

The Government should immediately get down to the task of reviewing the present guidelines on the basis of available medico-statistical information, criticism by various agencies and organisations and suggestions for improvement coming from different quarters. That is the only way to remove the unfairness and illogicalities of the present scheme of compensation payment.

Administrative measures like the setting up of claims courts should also be speeded up. Appellate courts, none of which has been constituted so far, too need to be set up without delay.

These are not just matters of governmental duty to citizens but of social conscience too. Bhopal has been for too long on the nation's conscience. The tragedy will be many times compounded if the authorities decide that whatever is necessary has been done and that there is no room for more discussion and improvement of the efficacy of the official measures announced so far.

The issue of bringing Union Carbide legally face to face with its crime and making it answerable for it in terms of criminal law is besides this. On this matter too, there are not many hopeful signs, though the trial has already started.

**Opposition Leader Flays Policy on Borrowings**  
92AS1437C Bangalore *DECCAN HERALD* in English  
10 Aug 92 p 9

[Article: "Joshi Flays Government Policy on Foreign Borrowings"; boldface words, quotation marks as published]

[Text] Bangalore, Aug. 9.—The All-India President of the Bharatiya Janata Party, Dr. Murli Manohar Joshi, came down heavily on Saturday the Centre's policy on foreign borrowings and said there should be a statutory limit to foreign loans, in order to salvage the economy.

Addressing a press conference here, he said that assuming the country's population was 90 crore, every Indian was indebted to the extent of Rs [Rupees] 6,000. Dr. Joshi said that in 1980-81, India's foreign debt totalled Rs 13,500 crore. By 1990-91, this figure had gone up to Rs 66,000 crore and now stood at Rs 2,40,000 crore. Even assuming that the rupee will not be devalued further and the current rate of borrowings will not be exceeded, by the year 2000, India's foreign debt will be about Rs 4,00,000 crore, he warned.

Dr. Joshi said a World Bank study had come to the conclusion that India's foreign debt would be of the order of \$238 billion by the year 2,000, even assuming that imports decrease, exports increase and the balance of payments will be favourable.

**Liability:** Dr. Joshi warned that loan utilisation now was only a low 23 percent. This meant that the rest of foreign loans were being used to clear old debts. He predicted that by 1997, the country would suffer from the 'zero net inflow syndrome' and would be taking loans only to pay back old ones, instead of using borrowing for development. To worsen matters, domestic liabilities had increased from Rs 48,000 crore in 1980-81 to Rs 3,18,000 crore today, he said. Thus, the total liability of the country was Rs 5,58,000 crore.

The foreign exchange reserves had declined. While the reserves amounted to Rs 14,227 crore in April this year, by May, this figure had dropped to Rs 13,900 crore. Dr. Joshi said the decline was small as the country had borrowed \$6.5 billion in the last year. "Our own contribution to the foreign exchange reserves is negative," he said.

Dr. Joshi said the BJP [Bharatiya Janata Party] was observing a week-long campaign to create public awareness of the dangerous debt situation and mobilise opinion against it. Suggesting solutions, he said the country should resolve not to take any more foreign loans. Also, a phased programme should be drawn up for repayment of existing loans.

**Alternatives:** He said that in order to cut the oil bill, India should switch to power alcohol instead of petroleum products, for meeting energy needs India could follow Brazil's example by using alcohol derived from sugarcane, being the cane producer in the world.

Dr. Joshi urged that exports and imports be balanced. He said that imports had increased by 81.3 percent during April 1992. In contrast, exports had declined by 3.9

percent during the first 2-3 months of 1992-93. This year's budget has planned for a 31.5 percent rise in exports, but "what is promised to the country is nowhere in sight", he regretted.

Regarding the securities scam, he felt that Joint Parliamentary Committee should have an Opposition member as Chairman. He dismissed speculation that the exit of Central Bureau of Investigation Joint Director K. Madhavan would affect the probe and said the official was only looking after the criminal side of the case.

**Essential Commodities Act Extended Five Years**

92AS1507A Madras *THE HINDU* in English  
27 Aug 92 p 1

[Article: "Essential Commodities Act for Five More Years"]

[Text] New Delhi, Aug. 26. The Union Government has decided to extend the Essential Commodities (Special Provisions) Act 1981 for a further period of five years. Consequently, an ordinance is expected to be issued before the Act expires on August 31.

Under this Act, the Government derives extensive power to check hoarding and blackmarketeering and appoint special courts to deal with such cases. There is also a provision for nonbailable arrest under the Act. However, to satisfy traders it is possible that some of the provisions of the Act may be dropped.

There has been wide spread opposition to the extension of the Act from traders and the major chambers of commerce and industry have also joined the protests. On August 11, a dharna had been organised here in protest against any extension of the Act and foodgrain dealers had threatened to launch an all-India agitation. The Bharatiya Janata Party (BJP) has also been in the thick of the agitation.

The traders grouse is that its provisions are too "harsh and draconian" and that the conditions under which it was promulgated no longer existed. They said that the unbailable nature of the offences had led to detention of persons without trial for a long time, that the provision of no bail was applicable even in case of minor offences and that there was mandatory punishment of a minimum of three months which was unfair.

In response to these points the government is likely to make the offences bailable and also provide for appeal against confiscation of stocks to a judicial authority instead of the current provision of appeal to the State Government. It is also likely that the ordinance may provide for the seizure of stocks only in excess of the prescribed limits and not the entire stocks as it happens now. The seizure may also be made only if there is a blatant violation and not in marginal cases.

The Essential Commodities Act 1955 was promulgated to ensure easy availability of essential commodities to consumers and to protect them from exploitation by unscrupulous traders. Amendments were carried out to the Act in 1981 and special provisions were added to strengthen it.

The special provisions were extended for a period of five years in September 1987 and are due to expire on August 31 this year.

### Analyst Views Shortcomings in Industrial Production

92AS1480A *Varnasi Aj in Hindi* 13 Aug 92 p 6

[Article by Navin Pant: "Industrial Production Shortage"]

[Text] The Indian economic system was totally overhauled during this past year. Most people are now exempt from various licenses or permits and the economic system has been liberalized. Foreign companies now can invest up to 51 percent of total invested capital of an Indian company. The rupee was devalued and is now partially "changeable."

It is hoped that these reforms will result in increased industrial production, more employment opportunities, increase in exports, and unprecedented foreign investment. Instead, our industrial production has decreased and it is cause for concern.

The truth is that one year and six months are not enough to show good results of the new policies. It will require three to four years, however, there should be some signs of progress after new policies are implemented. The slowness in economic growth and industrial production is something we should worry about. This means that there are other factors that are hindering industrial production. The government should ponder this situation and find ways to rectify it.

The new government has been in office for over one year under the leadership of Prime Minister Narasimha Rao. During this period, the government has made all but 10 industries (80 percent) exempt from any license or permit. All barriers that hinder industrial expansion or production have been removed. The number of reserved industries for public sectors has been reduced from 17 to 8, and foreign companies have been permitted to invest up to 51 percent.

Finance Minister Manmohan Singh expounded in his second budget the principles that he introduced in the first. These include a friendly attitude toward market economy and a close relationship with the international economic system. He has affected several reforms in the economic system, industries, and commerce to achieve his goals. He made the rupee marginally oscillating, reduced import duty, and permitted nonresident Indians to purchase stocks in the Indian market. He reduced the legal currency holdings and terminated the import license system.

It was hoped that these reforms would help increase industrial production, employment, and exports. They hoped that the foreign currency problems that the country had would be reduced and gold smuggling would end. Other expected results were a stabilization of the rupee in the open market and a new era of affluence and prosperity would start in the country. However, when analyzing the half year of this fiscal year we learn that despite the liberalization of our economic system and reforms our economy and industrial production is still lethargic. Even

though there has been an increase in our exports, there has been a decrease in the dollar amount in this area. Industrial production is lower and there has been no increase in employment opportunities. The rate of establishment of new industrial units is very slow and they suffer from labor unions, lockups, and fears of closing factories. There has been an increase in foreign investment, but it is not significant. Only announcements have been made for new investments. It will take a long time for their realization and show benefits.

Mr. Manmohan Singh said that our foreign exchange reserve is in good shape. At present our foreign exchange reserve has \$6.2 billion (14,163 crore rupees). The finance minister said that our foreign exchange increased by \$4.2 billion because of various government efforts. Last year in June, there were only \$1.1 billion (2,677 crore rupees) in foreign exchange reserve. We can say that our foreign exchange situation is satisfactory.

However, we should keep in mind that last year India owed 11 million crore rupees in foreign debts. India needs a huge amount to pay installments and interest for these loans. The major part of our foreign currency is composed of foreign loans and money sent by nonresident Indians. We cannot depend much on foreign loans and money invested by nonresident Indians. The finance minister himself admitted that nonresident Indians withdrew \$121 million during the first two months of this year. Even though this amount is much less than the \$652 million withdrawn last year, it still tells us that it is not wise to depend much on the money invested by nonresident Indians. Nonresident Indians will withdraw money if there is a slight political unrest, better bank rates abroad, or any opportunity for better investment.

Our country also needs a huge amount of foreign exchange for importing industrial raw materials, machines, petroleum products, vegetable oils, and food grains. It is said that one reason for decrease in industrial production is scarcity of industrial raw material. This can be increased by imports for better results.

The situation about food grains reserve is not very satisfactory either. On 1 June 1992, our food grains stores had 15.3 million tons of food grains while a year ago on this date this quantity was 17.3 million tones. The decrease in food grains reserve was caused by the higher prices in the open market. The farmers sold less to the reserve and the controlled rate stores sold more grains. During 1991-92, 18.8 million tons of food grains were sold through the public distribution system, while the corresponding figure for 1990-91 was 15.6 million tons.

The government made a deal with Canada to purchase some wheat; the government will have to pay in foreign currency for the wheat. Efforts are being made to buy rice from Vietnam. India has loaned money to Vietnam, therefore, if a deal is made over rice with it, India will be able to subtract the amount from the loan. After food grains, the second-most important import is petroleum products. The consumption of petroleum products is increasing rapidly

in our country. The efforts to limit or reduce this consumption have not been very successful. Recently there has been some decrease in the domestic production of petroleum products. No new oil fields have been discovered and production from old oil wells has been less than before. Thus, we will have to spend a major part of our foreign currency on importing petroleum products. The government has formed an import plan for maintaining the foreign currency reserve. This indicates that the government is not very satisfied with the foreign currency situation. It does not want to take a risk in this context.

In spite of sweeping and important economic reforms, liberalization, and devaluation of the rupee, there has not been any remarkable increase in our country's exports. We hoped that the devaluation of the rupee would dramatically increase India's exports. However, it did not happen. It is important to analyze the reasons why this did not happen as expected. Of concern is the fact that during the first two months of this fiscal year (March-April), there has been a decrease of 3.97 percent in exports compared to the first two months of the last fiscal year. Total exports during April and May of 1991 were \$2.777 billion. The corresponding amount for the same period in 1992 is \$2.667 billion. Meanwhile, the dollar is getting stronger in the market. In the beginning of July the rate for the dollar was 33 rupees.

During the first quarter of this fiscal year, our industrial production rate increased only by 6.6 percent. The increase last year was 5.6 percent. There decrease in industrial production points to a sick economy. Production decreases when prices of production is higher and the consumers stop buying. Industries do not get fuels (coal, electricity, diesel) on time. These signs indicate that our economy has derailed. The government must take concrete and concentrated efforts to put the economy back on track.

**Analyst Sees Upturn in State of Economy**  
92AS1486 Madras *THE HINDU* in English 17 Aug 92 p 9

[Article by Prem Shankar Jha]

[Text] The Indian public has grown so used to receiving bad news about the economy, that when things finally take a turn for the better, they have the greatest of difficulty in believing it. That may be why even officials in the economic ministries are studiously underplaying the significance of the succession of good economic indicators that have been published in the last ten days.

These are: a decline in the rate of inflation to 9.3 percent in the third week of July, the first time that it has been in single digits for almost two years; a rise in industrial production by 4.7 percent in April this year; and a fairly sharp rise in total exports, in dollar terms by 9.9 percent in June. Do these figures portend the end of extraordinary, and politically destabilising, inflation; the long-awaited revival of industry, and the longed for rise in export earnings? Are they the beginning of a trend, or a mere flash in the pan?

Both analytical and statistical reasons suggest that this data reflects a genuine turn around in economic performance. To take inflation first: On May 30 this year, the rate of inflation, of 12.2 percent was almost identical to what it had been in the same week last year (12.3 percent). But since then it has fallen steadily to 10.9 percent on July 18. The fall to 9.3 percent in the following week, is thus the continuation of a three-month old trend.

It was so sharp mainly because in the corresponding week of 1991, prices had spurted by 1.7 percent, whereas this year the index of wholesale prices barely moved in the week ending July 25.

Tentative projections by the Government suggest that the rate of inflation will dip further to 8.2 percent by August 22. But there are very good reasons to believe that the fall may not stop there. The most important is the excellent behaviour of the monsoons. Although their sluggish start has ruled out a bumper kharif harvest of the kind the country enjoyed in 1990, it is now abundantly clear that the harvest will be satisfactory. Where then will the farmers and traders store the new crop?

As the expectation of inflation strengthened in 1991, both groups held back a large part of their marketable surplus to take advantage of the high prices in the open market later in the season. This led directly to a sharp fall in procurement out of the 1991 rabi (spring) harvest, the following kharif, and this year's rabi. So great was the farmers' propensity to hoard that according to official estimates, in Punjab alone they held back no less than 1.6 million tonnes of wheat this year. With inflation petering out, and their granaries full, the farmers and traders will have to unload their stocks on the market in the next two months.

The rise in the output of manufactured products in April and the sharp spurt in exports in June are also not sudden developments. The former had actually gone up by 3.4 percent in February and 1.3 percent in March. The 4.7 percent in April thus suggests a gathering momentum of recovery. In the same way, although the continuing disruption of rupee trade with the former Soviet Union has made it difficult to interpret export figures even when these are expressed in dollars, the behaviour of exports to the General Currency Areas, most of which is denominated in dollars, shows the same steady upward movement.

These exports rose by 5.51 percent in dollars, in 1991-92. Thereafter, there was a dip in April, of 1.65 percent, followed by a rise of about 4.2 percent in May and 8.4 percent in June. The good export performance in June has therefore come to the end of a period of steady improvement. The fate of exports will remain uncertain so long as the United States, Germany and Japan, India's main trading partners remain plunged in recession. But the target set by the Government of 13 percent for the current year does not look quite as unattainable as it did a few weeks ago.

There are good, analytical reasons too for expecting the rise in industrial production and exports to continue. Last year, both had been forced down by the severe shortage of foreign exchange. Non-oil imports had fallen by around 27

percent in the April to June quarter of 1991. This was the main reason why the growth of industrial production had fallen from over 9 percent in 1990-91, to minus one percent in April to December 1991.

But the last of the various monetary and fiscal curbs on imports were lifted in December. The spurt in production in February was a direct result. The liberalisation of the foreign exchange regime announced in the budget, and the partial collapse of the Hawala market that followed, has greatly increased the availability of foreign exchange. This has led to a sharp rise in non-oil imports, by 19 percent in April-June 1992. The rise in exports in June is almost certainly a consequence. When the industrial production figures come out, it is more than likely that these too will reveal a rising trend for May and June.

The Indian economy has a long way to go, before it becomes viable internationally. But we are seeing the first unmistakable signs that we may one day get there.

#### Export Performance Reviewed, New Strategy Urged

92AS1437E Bangalore *DECCAN HERALD*  
(III Supplement) in English 10 Aug 92 p 4

[Article by A. E. James: "Poor Export Performance: New Strategy Necessary"; boldface words as published]

[Text] Despite the new policies, poor performance by the export sector has led experts to do a rethink and there are plans to develop a new short term strategy, reports A.E. James.

Experts in foreign trade have expressed serious doubts about the achievement of the targetted export growth of 12.8 percent for the current year and the efficiency of the new trade policy following the poor performance of export sector in the first two months.

"The export growth was about 17 percent per annum in 1986-89 which has declined to 9.1 percent in 1990-91 and during April-May of the current year too has fallen drastically by 4 percent as compared to the corresponding period of the previous year. As against this steep fall, the Government has targetted an average growth of 13.6 percent in the Eighth Five Year Plan period," says Mr. Iqbal Nathani, president of the confederation of 100 percent export oriented units (EOUS).

The trade deficit of the country in dollar terms, according to the latest trade data of the Directorate of Commercial Intelligence and Statistics, soared to \$945 million during the first two months of the current financial year from \$119 million in the same period of last year following removal of import squeeze. Thus, in the first two months of 1992-93 itself, trade deficit amounted to more than half of deficit for the whole year 1991-92.

**Fall:** In other words, exports amounted to \$2,667 million during this period, registering a fall of 4 percent over \$2,777 million. In the same period last year, import increased to \$3,612 million from \$2,896 million (by 24.7 percent).

In rupee terms, exports during April-May 1992, increased to Rs [Rupees] 7,663 crore from Rs 5,606 crore of the corresponding period of the previous year. Imports, on the other hand, amounted to Rs 10,273 crore as compared to Rs 5,846 crore last year, registering a hefty rise of 77.5 percent. Trade deficit, as a sequel, shot up to Rs 2,715 crore this year against a mere Rs 240 crore last year.

According to Mr. Kishore Shah, president of Federation of Indian Export Organisations, both external and internal factors have affected the growth of exports during the current year. In consonance with sluggish growth of the world economy, expansion in world trade also declined in volume terms from 4.3 percent in 1990 to 0.6 percent in 1991. "Unfortunately for us the change-over from rupee exports to general currency area (GCA) trade has come at a time when the global trade has slowed down tremendously" says Mr. Nathani. "The present demand recession in the international markets especially in U.S. and European countries have affected our exports tremendously" opined Mr. Larry D'Souza, secretary of confederation of 100 percent export oriented units.

Yet another factor, according to the sources, was the disintegration of erstwhile U.S.S.R. "The former U.S.S.R. was one of our export markets and the sudden closure of this market has disrupted the export production especially of those products intended to cater only to this market and it will take a while for Indian exporters to develop their exports to GCA points out Mr. Nathani.

**Constraints:** According to a study conducted by Exim Bank, in the transitional phase of changing over from centrally planned economy to market oriented economy, India's exports to Eastern Europe and former Soviet Union may suffer on account of domestic constraints faced by them. Rapid increase in unemployment and drastic cuts in real wages and decline in all major macroeconomic indicators, and runaway inflation are currently plaguing the East European economies, which are imposing severe constraints on the demand side.

On the domestic front, the export production has come down despite the Government's efforts to increase the exports and to make Indian goods competitive in international markets by adopting conducive policy changes.

During the last one year, it may be noted, several trade, industrial, fiscal and monetary policy changes have been introduced to increase the global competitiveness of Indian exports. A major devaluation of the rupee in July 1991, partial convertibility coupled with abolition of exim scrips in March 1992 were introduced to provide an impetus to exports and effect import substitution.

In the area of industrial policy, major reforms have been introduced to promote industrial competitiveness. These include abolition of licensing for most industries, removal of restrictions on large companies for expansion in capacity or diversification, a narrowing of areas reserved for the public sector and a mechanism of direct foreign investment up to 51 percent equity holding in high priority industries subject to foreign equity covering foreign exchange requirement for capital goods imports.

Another important policy change to improve international competitiveness of the industrial sector is the decision to lower import duties.

Despite all these efforts to gain global competitiveness and to integrate the Indian economy with the global economy, exports have reduced tremendously during the current year.

It may be noted that there is a general belief that full convertibility of Indian rupee on trade account will in turn produce a further devaluation of the rupee and enable exporters to earn a higher return. But most of the experts refuted this argument. Mr. Nathani argues that full convertibility would not lead to further depreciation of the rupee. However, this would discriminate against the 100 percent export oriented units, he feels.

**Action plan:** The poor export performance of the country has made trade experts to do are think on the efficacy of the new policy and to adopt an action plan to remove the bottlenecks, in the way of export growth.

However, most of the experts said that increase in imports in the near future will give a boost to exports.

Adoption of a cheap credit policy for the export sector and a reduction in levies on inputs going into export production could be undertaken. "The right way to boost exports in the immediate future is that they should be given top priority by the lending sector and the exorbitant interest rate of 1.50 percent should be brought down by half to make Indian exports competitive with countries like Malaysia, Taiwan, etc." Mr. Shah emphasised. Mr. Nathani pointed out that abolition of multiple levies on inputs going into export production, exemption from power cuts and declaring 100 percent EOUS and EPZS [expansion not given] as an essential service would help.

Meanwhile, the Government is planning to undertake a comprehensive review of export performance of different sectors to identify specific constraints and plan remedial measures. Minister of State for Commerce, Prof. P.J. Kurian recently stated that the ministry was preparing a short term plan for the remaining part of the current financial year.

However, export growth in the coming months will depend on the speed at which the government implements the action plan and when the world markets will recover from the present spell of recession in demand.

**Center To Purchase Wheat From Australia**  
92AS1509A Madras *THE HINDU* in English  
26 Aug 92 p 6

[Text] New Delhi, Aug. 25. The Government has finalised a deal for the import of five lakh tonnes of Australian Standard White Wheat with the Australian Wheat Board at a price of U.S. 137.5 PMT. Shipments are expected to commence from September, 1992 and be completed by 1993.

The price paid for the Australian wheat is competitive with the international market prices for wheat of comparable quality, statesman official note.

Earlier, in June, 1992, the Government had signed a contract with the Canadian Wheat Board for import of 10.05 lakh tonnes of wheat from Canada. This wheat has already started arriving at Indian ports.

With this, the wheat imported in 1992-93 will total 1.5 million tonnes. This is expected to ease the stock position in the central pool and improve the overall foodgrains availability in the country.

**Space Scientists Announce Research Plans**  
92AS1514A Madras *THE HINDU* in English  
24 Aug 92 p 11

[Article: "ISRO Sets Sights on Three Planets"; boldface words as published]

[Text] Bangalore, Aug. 23. The Indian Space Research Organisation [ISRO] has announced plans to launch probes to study various planets and their environs.

ISRO scientists have picked Mars, Mercury, and Venus for the studies and have worked out the mission sequence for probes to be launched for each of these planets. The sequence includes control of trajectory, execution of delicate manoeuvres, and the use of the gravity of the other planets to hurl the probes deep into the space.

"The first mission (probably to study Mars) should fructify around 1998-99 using the geosynchronous satellite launch vehicle (GSLV), the ISRO chairman, Prof. U.R. Rao, told UNI in an interview here.

Prof. Rao said ISRO had the confidence and capability to embark on such interplanetary studies. However, details such as the type of studies to be carried out and the probes to be launched would be discussed with other scientists after the successful flights of the polar satellite launch vehicle (PSLV) and the GSLV rockets, scheduled for launch in 1993 and 1995-96, respectively.

**Ground stations:** Prof. Rao said the launch of these probes would depend on whether the dedicated ground stations, with at least two massive dish antennae to receive the data beamed by the probes, were ready. The probes would be modest 200 to 250 kg satellites. On the funds required for studies of this magnitude, he said, "We must be ready with the technology and worry about the funds later. If the Government cannot fund the entire project, we could collaborate with other countries. I hope the geo-political situation will change for the better by then."

Asked about possible cooperation with China, he said, "I don't know if they will be interested. It also depends on how much money they can spare. But they have very good scientists."

**Reusable vehicles:** On futuristic space vehicles, Prof. Rao said ISRO had started experiments to prove the concept of "airbreathing" on reusable launch vehicles. "These tests

will go on full swing after the launch of the PSLV, because we plan to draw people from that project and ask them to work on airbreathing vehicles. Also, for a full-fledged airbreathing vehicle, we need the cryogenic engines (due from Russia before 1995)."

The process of airbreathing helps to deploy heavy satellites and payloads at one-tenth the cost of current methods using vehicles such as the space shuttle. The airbreathing space vehicle, fitted with cryogenic engines and carrying only liquid hydrogen, will suck in oxygen from the atmosphere, liquify it and use it along with liquid hydrogen to travel deep into the space.

"It will be another five years before we take a decision on these vehicles, but we must be ready with the design and

technology by then. Many countries may have to join because these are prohibitively expensive vehicles," he added.

**Hyperplane:** Prof. Rao said ISRO had worked together with Bharat Dynamics Limited, Hyderabad, for the design of "hyperplane" (hypersonic platform for airbreathing ascent to near-earth orbit), a multimillion rupee vehicle which combines the technologies of aircraft, rockets and airbreathing to fly at several times the speed of sound and deploy heavy satellites in space. While agencies such as the European Space Agency were working on such transportation systems, the first such vehicle would probably fly only around 2010, he added.

ISRO scientists, he said, would visit China later this year as a followup of the agreement signed by the two countries for cooperation in space.

**Light Helicopter Makes Successful Flight**  
92AS1500A Bombay *THE TIMES OF INDIA* in English  
31 Aug 92 pp 1, 11

[Boldface words as published]

[Text] Bangalore, 30 August: A historic event in Indian aviation was witnessed here today when the first prototype of the Advanced Light Helicopter (ALH) developed by Hindustan Aeronautics Ltd. [HAL], took off on its first official test-flight.

The vice-president, Mr. K.R. Narayanan, who was here to perform his first official function outside Delhi after assuming office, dedicated the ALH to the nation.

The red and white prototype was flown by test pilot Group Captain G.S. Chokker, performed several manoeuvres on a sunny morning in the presence of a galaxy of dignitaries, including the defence minister, Mr. Sharad Pawar.

The twin-engine ALH, perceived as the lightest helicopter in the world, can seat up to 14 persons, including two crew members. The four-tonne prototype costing around Rs [Rupees] 10 crores is capable of achieving a speed of 330 kmph and designed for multi-role applications in both defence and civil operations. This helicopter was developed in collaboration with Eurocopter, formerly MBB [Messerschmitt-Boelkow-Blohm GmbH], of West Germany.

Speaking on the occasion, the vice-president said the inaugural flight was a historic event that marked a major triumph for the country's scientists, designers and technologists. It was also a fine example of co-operation between India and Germany in the field of high technology, he added.

Mr. Narayanan called for laying greater stress on research and development as transfer of technology was more difficult in the freer world of today.

Mr. Pawar, who presided over the function, complimented the public sector HAL for its impressive achievement. He said though the production of the first prototype was three years behind schedule, he expressed the hope that the production of the ALH would start by 1994. He termed the project as a symbol of Indo-German collaboration in the wake of India opening its domestic market for foreign investment.

The Karnataka governor, Mr. Khurshed Alam Khan, released a souvenir. Among those present on the occasion include the Karnataka chief minister, Mr. S. Bangarappa, the Union railway minister, Mr. C.K. Jaffer Sharief, the Union minister of state for defence production, Mr. Krishna Kumar, the chief of the naval staff, Admiral Ramdas, the chief of the air staff, Air Chief Marshal Suri, the scientific advisor to the defence minister, Mr. Abdul Kalam, and the noted scientist, Dr. Raja Ramanna. The chairman of the HAL, Mr. R.N. Sharma, welcomed the gathering.

The crew members who manned the inaugural flight besides Group Captain Chokker were the co-pilot, Wing Com. C.D. Upadhyaya, and the flight test engineer, Group Captain S. Sridhar.

**Sabhash Kirpekar** adds from Delhi: About ten countries, including the United States and the U.K. have shown interest in the ALH designed for multi-role application in defence and civil operations.

The Light Combat Aircraft (LCA) is expected to be ready in 1996. But ALH's has only a good export potential but also the distinct possibility of joint production.

In the defence version, the supply tanks are bullet-proof against small arms fire and the helicopter has a night attack capability. It can be used for anti-tank purposes and to provide close air support, not to speak of its utility as an air observation post when needed in this role. The civil version is useful for emergency medical services, rescue operations and even in law enforcement situations.

The ALH is expected to be a major attraction at the Farnborough air show in England in September.

**Air Force in Market for High-Tech Aircraft**  
92AS1449A Bombay *THE TIMES OF INDIA* in English  
6 Aug 92 p 4

[Article by Srinivas Laxman]

[Text] Bombay, August 5—The Indian Air Force (IAF), the fourth largest in the world, which celebrates its diamond jubilee this year, is currently on the look-out for some squadrons of high-technology aircraft designed for air defence operations like the Soviet-built MiG-29 and Mirage-2000.

Its future requirements also include a high-technology aircraft for strike purposes and multi-role aircraft which could provide close ground support to the Indian Army.

The IAF's current inventory includes MiG-21s, MiG-23s, MiG-25s, MiG-27s, MiG-29s, Jaguars and Mirage-2000s. With the MiG-21s life-span almost coming to an end, the IAF will have to replace this fleet.

With the exception of MiG-29s and Mirage-2000s, it will not be long before other Soviet-built fighters have to be phased out. The cost of a modern combat aircraft is approximately Rupees 60 to 100 crores.

With the IAF expressing a degree of scepticism about the future of the Light Combat Aircraft (LCA) project a need is being felt to re-equip its ageing fleet of fighter squadrons.

Also, for the safe operation of the IAF, the acquisition of fighters cannot be made in isolation. It has to be matched with trainers and for this purpose the IAF has been convincing the government of India to take an early decision on the much-delayed Advanced Jet Trainer (AJT).

"The issue has been going on for the last 15 years," remarked a senior IAF officer. At present two trainers—the French-built Alpha and the British-manufactured Hawk, are vying with each other to capture the IAF order.

The IAF was formally constituted on October 8, 1932. In 1933 it comprised six Cranwell-trained officers and 19 non-commissioned personnel. Its aircraft inventory comprised no more than four Westland Wapiti 11A army co-operation biplanes at Drigh Road now in Pakistan.

The IAF carried on with this squadron till 1942 when it raised another seven fighter squadrons which included Hurricanes as well. Between March and December, 1942, 10 aircrew schools were opened in India and the first Harvard-1s and 11s were delivered to the fighter training school at Ambala.

The year 1946 saw the establishment of the first Royal Indian Air Force transport unit.

With independence in August 1947, some of the units went to the newly-created Royal Pakistan Air Force. The Royal Indian Air Force thus lost many of its permanent bases and other important establishments as a result of partition.

After partition, the Royal Indian Air Force saw action in Kashmir. The air force swung into action in October, 1947, as a fitting response to the sizeable insurgent forces that were pouring across the border into Jammu and Kashmir. It played a decisive role in the "Battle of Shela Tang" (a place in Kashmir) which stifled the flow of insurgents. Remarked a veteran IAF commander: "It was air power which finally saved Kashmir."

In January, 1950, with India becoming a republic, the IAF dropped the word "Royal" from its prefix and came to be known as the Indian Air Force.

From 1955 onwards there was a transition from piston-engined aircraft to jets. Vampires, Hunters and Mysteres joined the IAF fleet. Along with this the licence to manufacture Vampires was started at Hindustan Aeronautics Limited (HAL).

Though the IAF did not participate in the 1962 Indo-China war, it was, however, involved in the evacuation operations.

In 1962, a committee headed by Mr. J.R.D. Tata recommended that the IAF should comprise 65 squadrons of which 45 were to be combat squadrons.

As the 60s moved on to the 70s old aircraft were gradually withdrawn to be succeeded by an increasing number of HF-24s, MiG-21FLs and Sukhoi-7.

#### **Successful Prithvi Missile Launch Praised**

*92AS1568A New Delhi JANSATTA in Hindi 20 Aug 92 p 6*

[Editorial: "The Success of Prithvi"]

[Text] The eighth successful launching of the Prithvi has pushed India's missile technology one step further. The launching of this missile from Orissa is very important because several new elements were tested. The first six flights were launched from the Shri Harikota Missile Center in Andhra Pradesh and some problems were identified. New methods were tried to rectify those problems. After the successful testing of these new methods, we feel confident that the Prithvi is ready to join the arsenal of

Indian armed forces. Three or four more tests will be conducted before it is handed over to the army. The second success is related to the launching pad. Because the Prithvi is a multipurpose weapon, its portability is important. It was launched from a truck made at the Bharat Earth Movers. This success of Indian defense scientists has added a new dimension to our country's defense capability. Success in future wars depends on technological expertise and the Indian military that depended on traditional weapons is entering a new era. The maximum range of the Prithvi is 250 km; however, if the load of explosives is the maximum 1,000 kg then the range will be only 150 km. The Prithvi does not need a special launching site, therefore, it can be launched from the actual battle area. Thus, it can go deep in enemy territory with its 250-km range. It can target military concentrations, cantonments, air bases, bridges, and other strong structures. A special computer in the Prithvi helps it hit the target, therefore, it is considered more accurate than rockets and cannons.

The Prithvi is actually one segment of a comprehensive missile technology plan. The other parts are the Nag, the Akash, and the Agni. The Nag is a tank destroyer that can destroy any tank fitted with special shields. The Akash is equal to the U.S. Patriot missile in capability. With little warning, it can intercept ground-to-air missiles. The Agni is a long-range missile. All Western nations have imposed various restrictions on missile technology. Russia is also now refusing to sell such technology under U.S. pressure. If our scientists succeed in expanding our missile technology through their own research, we will be able to counter the restrictions imposed by the West during the next few years. These restrictions will prove a blessing to us. We will take a little more time, but will be able to not only develop missile and satellite technologies on our own, but also develop the ability to make related electronic components and computers here. Until now, we had to depend on other countries for parts. It is important to mention that progress in defense technology directly impacts nondefense research projects. The fact is that nonmilitary units have helped a lot in the development of missile technology. This cooperation in the field of technology can result in an atmosphere of self-sufficiency.

#### **Need To Improve Defense Research, Policy Stressed**

##### **Parliament Panel's Report**

*92AS1518A Bombay THE TIMES OF INDIA in English 22 Aug 92 p 7*

[Article: "Govt. Urged To Have Clear Defence Policy"]

[Text] New Delhi, Aug 21 (PTI). A parliamentary committee has underlined the need for a clear and comprehensive defence policy based on a viable national security doctrine.

The estimates committee of the Lok Sabha in its nineteenth report presented in Parliament yesterday by the committee chairman, Mr. Manoranjan Bhakta, expressed its shock that the question of force level, inherently linked

with perspectives on national security, were being dealt with "vague and unpredictable considerations."

The committee said it was told that the force level under the ministry of defence was determined by "the dynamic perspectives of the security scenario coupled with the overall availability of resources within a plan period, competing demands from other prioritised sectors, the technological developments and other systemic inputs."

The committee said it was not able to fully comprehend the statement that Indian defence policy has been to defend her territory. "This is a needless oversimplification," the committee observed.

The estimates committee deprecated the fact that the country had fought four wars and launched armed operations in and at the request of neighbouring countries without a clear articulated and integrated defence policy.

Saying that it was deeply disturbed at the absence of a national security doctrine, the committee said it firmly believed that underlying the question of force levels is the question of having such a formal doctrine.

The committee said it was also their belief that such a doctrine must not only take a long-term view of national security affairs but should also be comprehensive enough to encompass the country's vulnerabilities in relation to its internal security.

The committee noted that the apparatus for higher direction in the ministry of defence are periodic ministerial meetings with the three service chiefs and senior civil servants, besides the meetings held at the level of the chiefs of staff.

The committee was of the opinion that in the absence of a political direction such meetings would tend to be routine in nature and can obviously neither serve as a viable national security apparatus nor provide inputs necessary for appropriate direction of defence management.

The committee suggested that for a more effective higher direction of national security, the dormant national security council should be revived.

Observing that excessive secrecy in matters concerning defence and uncertainties of annual budgetary support have rendered the task of formulating the defence policy difficult, the committee recommended that the Official Secrets Act should be reviewed and rationalised to facilitate a more meaningful debate on national security affairs.

#### Defense Research Weakness

92AS1518B New Delhi INDIAN EXPRESS in English  
10 Aug 92 p 9

[Article by Manvendra Singh: "Need To Improve Defence Research"]

[Text] The latest crash of an Indian Air Force (IAF) aircraft involved a MiG-27M, based at Hindon. This accident is quite unlike the standard casualties that the IAF has been afflicted by. This time, a modern frontline fighter-bomber was involved, instead of an aging MiG-21,

a trainer version of a fighter, nor a transporter, the normal accident prone aircraft of the IAF. Above all, it was an Indian built aircraft, the MiG-27s are manufactured at Nasik by Hindustan Aeronautics Limited (HAL), with more than 70 percent indigenous components.

Engines can catch fire in-flight for many reasons, including bird hits, and until the enquiry ascertains the precise cause of the crash it would be premature to apportion blame. The slanging matches that occurred between IAF and HAL some years ago must, therefore, be avoided.

It goes without saying, however, that the quality of domestic defence production is intrinsically related to defence research. Until the country beefs up its research abilities, the chances of producing quality equipment will remain marginal. India cannot absorb technology until it has the ability to make the same, or better. The issue is not merely of being able to copy a certain part, an understanding of the processes is necessary. Defence research attracts a lot of attention in India, but the outlay for it is hardly adequate. The total budget of the Defence Research and Development Organisation (DRDO) is in the region of Rs [Rupees] 800 crore, and is nowhere near what is needed.

Critics of India's research capabilities suffer from two elementary misconceptions. Technology requires money, and no country has had it cheap. Even if a technology transfer is attempted, the cost of building up the infrastructure to absorb it is substantial. Secondly, it takes time to be able to develop technology, whether imported or domestically researched. Those who decry India's research scientists have been answered by the ban on the transfer of cryogenic engine technology to India. There is little choice for India now, it has to go it alone. The same is applicable to other projects that the DRDO is undertaking. There are many in India who want the country to purchase similar products from outside and don't hesitate to declare the DRDO efforts as inviable. This short-cut method is essentially flawed, since it prevents the country from ever becoming self-sufficient, and thus capable of confronting international blackmail. Depending on external supplies means that India will have to continuously draw on dwindling foreign exchange reserves, pushing it further along the path of debts and aid. Those promoting this option are in various sectors of government, and surprisingly in the armed forces as well.

Nowhere is the influence of this lobby more apparent than in the matter of India's Main Battle Tank (MBT) Arjun and Light Combat Aircraft (LCA) projects. Both have attracted much attention, and in both cases the blame for "delays" has been cast on the DRDO. It is true these projects have been long overdue. Reading between the lines, however, some other factors come to light. The DRDO can be faulted for its misplaced optimism in declaring that Arjun, or the LCA, will be ready within a specified time period. Such confidence may seem out of place in retrospect. Tank development is by no means a simple task, especially when the required infrastructure does not exist. The Germans, who made the impressive Panzers during World War II, took 15 years to make a

modern MBT. And the Indian MBT has been under sustained development effectively only since the mid-1980s.

The LCA, on the other hand, suffers from an acute lack of understanding by those responsible for making decisions about its development. Politicians, as well as Air Force chiefs, have periodically made contradictory statements on the LCA. This has had a damaging effect on scientists involved in research. They are never sure if New Delhi would not suddenly cancel the project. If the IAF is to have a modern multipurpose combat aircraft, that does not cost a few billion dollars, India must support the LCA project. In the same vein, if the armed forces are to be given domestically produced quality equipment, current production procedures have to change. More agencies have to be involved in production.

Only then can there be the likelihood of an amiable relationship between the builder and the user.

#### Missile Seeker Inventors, Others Awarded

92AS1470A Madras *THE HINDU* in English

14 Aug 92 p 11

[Text] New Delhi, Aug. 13—The 1992 Independence Day awards for innovative inventions were announced on Thursday by the National Research Development Corporation (NRDC). These awards are given by NRDC under its Invention Promotion Programme. This year nine inventions in key areas of national importance have been selected.

Dr. K.K. Srivastava, and Mr. B.K. Mukhopadhyay, Mr. J.V. Prasad of Seeker Head Laboratory, Research Centre Imarat (DRDO) [Defense Research and Development Organization], Hyderabad and Mr. M. Damodar, DRDL [Defense Research and Development Laboratory], (DRDO) Hyderabad and N. Adisheshu of IIT [Indian Institute of Technology], Kharagpur have been jointly awarded Rs[rupees] 40,000 for the development of W-Band Monopulse Antenna System for missile seeker application. The device has been developed for use as a W-Band active seeker for a third generation anti-tank missile. The

sale of such antennas to India has been banned by the seven-nation embargo under the Missile Technology Control Regime (MTCR).

Mr. K.L. Luthra and Mr. B.B. Choudhary of Manganese Ore (India) Ltd., Nagpur have been jointly awarded Rs 40,000 for the development of the magnetic separation process for upgrading low manganese dioxide ore to Battery Grade.

Mr. R. Dhandapani, Mr. G. Buvanashkaran and Mrs. Kamala Narayanaswamy of Welding Research Institute (BHEL) [Bharat Heavy Electricals limited], Tiruchi have been awarded Rs 40,000 for the development of the submerged arc welding flux for narrow gap applications.

Mr. Rathinasamy Basharapandian of the Metal Powder Co. Ltd., Madurai has won Rs 30,000 for the development of a new improved process of continuous wet ball milling.

Mr. Nirmalendu Das of the Bhilai Steel Plant has been awarded Rs 25,000 for the development of a digital micro meter for roll gap measurement in continuous casting steel plants.

Dr. S.P. Agarwal of Dr. Ram Manohar Lohia Hospital, New Delhi has been awarded Rs 10,000 for the development of a multipurpose self-retaining new brain retractors used in neurosurgery.

Mr. Shamsher Singh of Faridkot has been awarded Rs 10,000 for the development of a combined harvester with simultaneous straw bruising provision using a new type of threshing and separation system.

Mr. Daya Kishan Wali and Mr. P. Dharma Rao of Nuclear Fuel Complex, Hyderabad have been jointly awarded Rs 10,000 for the development of a modified version of cold reducing tube mill.

Mr. Sanjeev Khosla and Mrs. Aarti Khosla of Sanarti International have been jointly awarded Rs 10,000 for the development of an improved warning lamp. The lamp with its flashing facility is visible from longer distances (1,500 metres on a clear night). It is used as a warning and signalling device by the railways, police, defence and civil aviation department.

**Theoretician Conceives New Atomic Structure**  
92AS1499A Bombay *THE TIMES OF INDIA* in English  
22 Aug 92 p 8

[Article by Deepak Gidwani]

[Text] Lucknow, 21 August: The young bearded man speaks pidgin English. He has difficulty communicating in Hindi, too. But the sparkle in his eyes and the confidence with which he speaks when on familiar ground show he is way above the ordinary, almost a prodigy.

Mr. Subhash Chandra, hailing from Harpal Nagla village in Etawah, has failed twice in high school, has been erratic in studies and is yet to do his B.Sc. For, his interests lie in a far advanced field of science—nuclear physics.

Yes, it is difficult to believe that and many would just laugh it off. But anyone who knows what he is talking about cannot but be impressed. For, the simple villager from Etawah talks about atomic structure with masterly ease. Mr. Subhash's obsession with nuclear physics borders on insanity. "It will die with me," he says.

He has come up with a totally new concept of atomic structure. According to the accepted theory, the hydrogen atom has only electrons outside the nucleus. Mr. Subhash firmly believes in the existence of positron and another charged particle (which he calls S-minus) outside the nucleus.

If what Mr. Subhash says is proved, it will change the entire concept of atomic structure known hitherto and revolutionise nuclear physics. But till then, it remains a big puzzle for the senior scientists and nuclear experts he has met.

From IIT Kanpur to the Bhabha Atomic Research Centre, he has been to several research laboratories and met scores of scientists in the past five years. Though none of them has refuted his theory they have not been forthcoming with any help.

"All of them say that my theory should stand the test of experiment but how to conduct it?" there is no finance and no facilities," he says.

Speaking about his study, he says there is as yet no accepted theory on the stable position of the positrons released in a nuclear reaction but "I believe these positrons can exist only in their specified space outside the nucleus."

He explains that the positrons cannot stay in the electron space outside the nucleus because as per the Dirac principle, the two particles will annihilate one another producing two photons of 1.02 million electron volt (MEV).

Moreover, he continues, according to Heisenberg's uncertainty principle, the positrons cannot reenter the nucleus as they would need energy of the order of 200 MEV for that. But positrons released in various nuclear reactions have been found to possess energy (rest mass energy) of only 0.51 MEV.

Mr. Subhash also challenges another accepted principle of nuclear physics. It is known that in nuclear fusion reactions, a proton breaks down into positron and neutron. But

he does not agree with this, citing the "quark model" to support his claim. He says that a proton is made up of three quarks—two up (+ive) quarks and one down (-ive) quark. The +ive quark carries a charge of  $\frac{2}{3}$  electron volt while the -ive one has a charge of  $\frac{1}{3}$  electron volt. If the present theory is to be believed, the neutron should have quarks equal to those in the proton because there are no quarks in positrons. But he says the neutron has one + ve and two -ive quarks as opposed to the proton's two +ive and one -ive quarks.

Besides, when a proton's mass is less than a neutron's mass, a particle with lesser mass cannot break down into another particle of a bigger mass according to Einstein's law of mass-energy conservation, says Mr. Subhash.

Completely confident of himself, Mr. Subhash asserts that he could give a new direction to the nuclear fusion principle by proving that the fusion can be started at normal temperature.

That is not all. Mr. Subhash even claims that he has a project for a much economical method of producing heavy water used in nuclear reactors. Currently, India imports heavy water at a cost of Rs [Rupees] 10,000 per litre, he says.

He has been getting great help and encouragement from Dr. C.M. Nautiyal, a nuclear scientist at the Birbal Sahni Institute of Palaeobotany and winner of the President's award in nuclear physics and the INSA [Indian National Service Academy] award. Another mentor is Dr. S.C. Seth, a scientist at the geological and mineral development department.

**Constitution Amended To Include New Languages**  
92AS1490A Bombay *THE TIMES OF INDIA* in English  
21 Aug 92 pp 1, 20

[Text] New Delhi, August 20—The long-standing demand to include Manipur, Nepali and Konkani in the eighth schedule of the Constitution was finally conceded today when both houses of Parliament unanimously passed a constitutional amendment bill to this effect.

The bill was introduced in both houses by the Union home minister, Mr. S.B. Chavan, and passed without any debate. The bill was titled Constitution (77th amendment) bill, 1992. The eighth schedule will now have 18 languages, including Konkani, Manipuri and Nepali.

The other 15 languages are: Assamese, Bengali, Gujarati, Hindi, Kannada, Kashmiri, Malayalam, Marathi, Oriya, Punjabi, Sanskrit, Sindhi, Tamil, Telugu and Urdu.

Mr. Chavan noted that Nepali was termed "Gorkha bhasa" in some areas while the Darjeeling Gorkha hill council had declared "Gorkha bhasa" as its official language. Even though Nepali was included in the eighth schedule, he said the hill council would be free to continue using "Gorkha bhasa" as its official language. He also noted that in census operations, some other nomenclatures like "gorkhali," "gorkhi," "gurkhiya," "khaskura" or "naipuli" had also been used.

Mr. Inderjit, MP [member of parliament] from Darjeeling, who favoured terming the language "Gorkha bhasa" instead of Nepali, said he supported the constitution amendment bill under protest. In a brief intervention, he demanded that the issue be referred to a select parliamentary committee according to rules.

Since today was the last day of the monsoon session, members pointed out as soon as the house met that the list of business for the day did not mention the promised bill. The Union minister for parliamentary affairs, Mr. Ghulam Nabi Azad, said the government was prepared to adopt the bill today itself if the chair waived the necessary rules.

The speaker, Mr. Shivraj Patil, said waiving rules and adopting a constitution amendment bill on the day of introduction itself was unusual, but this was being done because the entire house was in favour of it. Normally a bill is circulated to members at least a day in advance before it is introduced and taken up for consideration at a later date. However, this whole exercise took less than 50 minutes.

#### Imphal

The Imphal valley wore a festive look today with thousands of people dancing in the streets and beating drums to celebrate the inclusion of Manipuri in the eighth schedule of the Constitution.

"Our aspirations have been met at last. I am very happy," the Manipur chief minister, Mr. R.K. Dorendra Singh, said.

#### Article Explains Government's Stand on Liquor Issue

92AS1477C Madras DINAMANI in Tamil 21 Aug 92 p 1

[New item: "Complete Dry State Is Our Objective—C.M."]

[Text] "To bring about complete prohibition is our goal. There has been no change of any kind in our policy. We could achieve our objective only in gradual stages," declared Chief Minister Jayalalitha.

Speaking to correspondents at the Chief Secretariat on Friday, she also said the following: "The reason for increasing the number of liquor shops is because the population has increased. Further, to limit the spread of illicit liquor trade, more liquor shops have been opened.

"We are being questioned as to why bars have been opened. During the days of M.G. Ramachandran [MGR] there was already a regulation that if liquor was bought at the shop it would be consumed at the premises itself. Nobody was allowed to take liquor home with them. Later this regulation was given up.

We should understand the reality of the problem. Addicts could never be reformed in a day. So, it is better that they drink at the bar when they come to the liquor shop. In the absence of the bar facility they would take the liquor home and drink in the presence of their wives and children. Therefore, viewed from this angle, this arrangement seems to be the best....

The idea that motivated MGR to enforce this regulation is still with us. Without calling it a regulation, we have provided the 'bar.' As I said earlier, to make Tamil Nadu a completely dry state is our objective."

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